A dialogue on trade and development in South Asia
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TRADE insight

SOUTH ASIAN APPROACH TO SUSTAINABLE DEVELOPMENT GOALS

TRADE AND DEVELOPMENT | MEGA-REGIONALS AND SDGs | BENEFIT SHARING AND IPR

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TRADE insight

editors' note

To walk the SDG talk

IN September 2015, leaders of the United Nations member states pledged to work together to build a world based on the principles of sustainable development. They endorsed an elaborate plan of action, the 2030 Agenda for Sustainable Development, which spelt out the Sustainable Development Goals (SDGs). There is a set of 17 goals and 169 targets that focus on ending poverty, protecting the planet and ensuring the well-being of all. The goals are substantiated by specific targets to be achieved over the next 15 years, or by the 2030 deadline.

South Asia is home to two-fifths of the world's poor and faces numerous challenges on the socio-economic fronts. A judicious implementation of the SDGs is likely to assist South Asian countries in overcoming some of these challenges. Countries and regions have begun to implement the SDGs by building on the achievements of the Millennium Development Goals (MDGs). The eight MDGs were implemented from 2000 until 2015 to address the most pressing challenges of humankind such as hunger and poverty.

However, South Asia's progress on the MDGs remain slow despite the fast pace of economic growth during the MDG period. Since South Asian countries vary in size and have had different economic growth rates, they experienced uneven progress in MDG achievement. The common factor is that inequalities persist across countries. Many believe that MDG achievements stalled due to the absence of proper regional approaches in implementation.

There are going to be various challenges in implementing the SDGs at the country and regional levels if we are to heed to the MDG lessons. Integration of the SDGs with national planning processes is foremost among them. Next come challenges related to institutions, mechanisms and resources necessary for their implementation. The availability of data for monitoring, stakeholder participation and enforcement of accountability are other challenges that need to be taken care of for the success of SDGs in South Asia.

South Asian Association for Regional Cooperation (SAARC) had developed 22 SAARC Development Goals by regionalising and consolidating the MDGs into four categories: livelihood, health, education and environment. These Goals were adopted for the 2007–2012 period. It was later extended to 2015 to align with the MDG deadline. These goals were expected to tackle the poverty and social development problems in SAARC member states.

The SAARC Development Goals, however, were not effective and their impact was little felt. While the overall achievements regarding these Goals are yet to be evaluated, the SDGs provide a unique opportunity for that. In fact, South Asian countries can come together and carry forward the SAARC Development Goals in the new light of the SDGs.

For example, SDGs call for cooperation in trade for increased growth, where rising trade means more likelihood of achieving the SDGs. However, the benefits remain undermined by excessive costs and delays associated with export and import of goods and services in the region. Cooperation in trade and integration is also an important aspect of the SDGs as they call for improving the effectiveness of the multilateral trading system to enable it to deliver development-oriented outcomes.

The implementation of the SDGs will be country-led with a voluntary follow-up and review process that ensures space and priorities for national policy. SAARC can act as a common forum to design a regional perspective that is aligned with national priorities. SAARC can then focus on the seventeenth goal or SDG 17—Revitalize the global partnership for sustainable development. This goal identifies the means such as finance, technology and capacity building necessary for a successful implementation of the SDGs.

South Asia must walk the distance to the SDGs together. Done properly, this will prove to be a giant leap out of poverty and destitution for the South Asian billion. ■

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Three SAARC regional centres shut

THE 30-year-old South Asian grouping South Asian Association for Regional Cooperation (SAARC) has closed down three of its regional centres in line with a decision taken at its 18th summit meeting in Kathmandu in November, an official said on 11 January.

The scrapped centres are the SAARC Information Centre (SIC) in Kathmandu and SAARC Human Resource Development Centre (SHRDC) in Islamabad and SAARC Documentation Centre (SDC) in New Delhi.

The SAARC Programming Committee decided at its 21 November meeting in 2015 to close down these regional centres as well as merge four others, bringing down the total number of such centres from 11 to five. The staff of these three centres were given the golden handshake, the official said.

The move is aimed at ending duplication of work and reducing expenditure, Nepal's Ministry of Foreign Affairs had earlier said in a statement.

The mandate of the SIC and SDC has been transferred to the SAARC Secretariat in the Nepali capital.

A decision on the merger of SAARC Forestry Centre in Bhutan, SAARC Disaster Management Centre in New Delhi, SAARC Coastal Zone Management Centre in the Maldives and SAARC Meteorological Research Centre in Dhaka to set up the SAARC Environment and Disaster Management Centre was also taken. Its location is yet to be decided.

The eight member states have already decided to shut down the SHRDC in Pakistan.

There is a proposal to upgrade the laboratory of the SAARC Tuberculosis and HIV/AIDS Centre in Bhaktapur in Nepal to a 'supranational lab'.

Nepal has constructed a new building and is considering finalising voluntary contribution for the lab's up gradation, for which India and Bangladesh have offered financial assistance *(www.business-standard.com, 11.01. 2016).* ■

Seed bank key to food security

REPRESENTATIVES of six SAARC countries at a regional consultation meeting on 26 December 2015 discussed the establishment of a regional seed bank to ensure food security and address the shortages caused by natural calamities.

The three-day meeting was organised by the SAARC Agriculture Centre (SAC), Dhaka to assess the common crop varieties and their demand and supply for the proposed seed bank.

Vice Chancellor of Kerala Agricultural University P. Rajendran, inaugurating the meeting, mooted the creation of a network of seed banks among SAARC countries and a common database on production and availability of seeds. "With the population of the South Asian region expected to touch 2.2 billion by the year 2050, the member states would need to step up production and productivity of crops such as cereals, millets, pulses and oilseeds to ensure food and nutritional security. Production and distribution of quality seeds constitute key elements in this effort."

Dr. Rajendran said the seed bank was expected to provide a ready stock of common varieties to meet emergency situations caused by natural calamities. He called for steps to conserve genetic varieties of seeds and facilitate the exchange of seeds and planting materials between SAARC nations.

In his presidential address, Tayan Raj Gurung, Senior Programme Specialist, SAC, said India could take the lead in establishing the regional seed bank. Quality seeds, he said, could improve the food crop output by 15 to 20 per cent. Dr. Gurung called for steps to increase the seed replacement rate and develop common minimum seed quality standards.

Twenty delegates from Bhutan, Bangladesh, Nepal, Pakistan, Sri Lanka and India participated in the meeting *(www.thehindu.com, 29.12.2015).* ■

SAARC countries fix standards on six products

arso.portal.gov.bd

THE South Asian Regional Standards Organization (SARSO) has finalised the harmonisation of standards on six products including refined sugar and biscuits.

"The South Asian standards for sugar, biscuits, hessian, two types of cotton and jute have been finalised," SARSO Director General Syed Humayun Kabir told on 11 January.

The SAARC countries gave the final nod in March for the process to begin for SAARC standards to be followed in regional and international trade of these products.

It has also finalised a general code of hygiene for products of South Asian countries. This will remove bottlenecks and facilitate smooth regional trade among South Asian countries.

Established in Dhaka, the regional standards organisation has received recognition from the International Organization for Standardization (ISO).

The decision to create SARSO was taken by the eight member-states at the 15th SAARC summit held in Colombo in 2008 *(www.en.prothom-alo.com, 12.01. 2016).* ■

Sri Lanka 'Single Window Customs' to reduce costs

A long delayed Single Window Customs System in Sri Lanka, aimed at streamlining the filing of import and export documentation, took effect on January 4. This will reduce costs and speed up trade, a top trade official said.

"The Single Window will simplify shipment procedures, drive down costs and benefit businesses," said Dinesh De Silva, Chairman of the Import Section of the Ceylon Chamber of Commerce.

The Single Window System, where regulatory documents need to be submitted only once, will do away with the need for overlapping documentation where the same information is submitted and processed several times by different regulatory agencies.

The Single Window will enable importers and exporters to make online payments regarding customs duties and levies as well as handle documentation of connected regulatory agencies *(www.economynext.com, 13.01.2016).* ■

India, Nepal deal on rail transport to Visakhapatnam, Banglabandha

INDIA and Nepal signed agreements on 20 February for strengthening cooperation in transportation sector that, among others, will provide transit facility to Bangladesh.

According to the pact, rail transport of goods would be facilitated from Vishakhapatnam to Nepal. Besides, rail transit would be operationalised through Singhabad in India for Nepal's trade with and through Bangladesh, according to a statement.

Another agreement envisages simplification of modalities for traffic between Nepal and Bangladesh while transiting through India, through the Kakarbhitta (Nepal) and Banglabandha (Bangladesh) corridor. It also aims to provide transit facilities for Nepal through the Vishakhapatnam port *(www.business-standard.com, 20.02.2016).* ■

India's Economic Survey 2016 backs hybrid seeds to boost GM food crops

INDIAN authorities are considering whether to allow commercial growing of genetically modified (GM) mustard, which uses a technology that could improve yields but draws strong opposition over fears of safety. India should look to introduce high-yielding hybrid seeds to lift its lagging farm productivity, a finance ministry report urged, in what is being seen as government support for cultivation of genetically modified food crops. Such crops remain banned at the moment over fears of safety.

Some politicians have accused Prime Minister Narendra Modi of trying to impose his government's decision on farmers relating to an "unsafe and unproven technology".

India spends tens of billions of dollars importing edible oils and other food items every year.

"Concerns about affordability of hybrids and GM seeds, environmental and ethical issues in cultivation of GM crops, risks to the food chain, disease spread and cross pollination have prevented them from being introduced," the annual Economic Survey said.

"These issues needs to be debated, tested, evaluated, so that introduction of hybrids is facilitated in the next three to six months."

The survey, released ahead of the presentation of Modi's third annual budget on Monday, said it is important to arrest a decline in food production.

That has brought some urgency to policy makers, who have discussed the fate of GM mustard developed by Indian scientists, including New Delhi's Deepak Pental.

If a commercial launch of GM mustard is allowed, it could pave the way for other food crops such as corn varieties developed by Monsanto, in one of the world's biggest farm markets. The company's cotton seeds are popular in India *(www.hindustantimes.com, 27.02.2016).* ■

Sri Lanka forum mulls harmonising South Asian energy rules

ENERGY regulators in South Asian countries are considering proposals to harmonise regulations with the aim of sharing and creating a common market for electricity in the region.

This was disclosed at the second meeting of SAARC Energy Regulators hosted by the Public Utilities Commission of Sri Lanka in Colombo.

Electricity is one of the lowest per capita consumption utilities in the South Asian Association for Regional Cooperation (SAARC) region, said M. I. M. Rafeek, Secretary to Sri Lanka's Ministry of National Policies and Economic Affairs.

It is the responsibility of energy regulators to ensure wider availability of electricity, he told the forum.

The forum is considering ways to promote cross border energy trade in the region and to harmonise legal, policy and regulatory frameworks, said Ali Haider Altaf, Director of the SAARC Secretariat.


www.usea.org

It will also consider the possibility of establishing a 'Regional Energy Regulatory Authority' or a forum of energy regulatory authorities, Altaf said.

Energy regulators are considering ways to remove regulatory barriers for cross border trade and exchange of electricity among the SAARC member states under the organisation's Plan of Action on Energy Regulations. *(www.economynext.com, 08.02.2016).* ■

Nepal, China ink historic transit treaty

IN a major geopolitical shift, Nepal signed a transit and transportation treaty with China on 21 March that will give the land-locked country access to sea from China.

Thus far, Nepal has had the access only through India, the southern neighbour. The treaty is expected to reduce Nepal's near total dependency on India for trade and transit. India and Bangladesh are the two other countries with whom Nepal has signed transit treaties.

India's imposition of economic blockade for almost five months, between September 2015 and February 2016, generated widespread disenchantment in Nepal forcing its leaders to seek trade alliances beyond the southern neighbour.

Though Tianjin Port, the nearest Chinese port is 3,300 km away from the Nepalese border—as against the closest Indian port of Kolkata which is only 1,000 km—the treaty is expected to shift the geopolitical power balance in the region.

The agreement on transit and transport with the People's Republic of China could be a psychological shift for the future, according to senior economist Bishwambher Pyakuryal. "The agreement is going to have a huge psychological shift in otherwise India-locked Nepal as the country will now have an option for international trade," he added.

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Likewise, trade expert and former commerce secretary Purushottam Ojha also opines that the treaty is a milestone, but Nepal needs to invest huge resources and efforts on road infrastructure to benefit from the treaty. "Nepal must increase road connectivity to take advantage from the transit treaty and increase economic integration with China," he told.

Apart from widening of the road to Rasuwagadi customs point, and upgrading Korala and Kimathanka customs points, Nepal also has to work hard to simplify trade-related issues, including visa, currency and language, to make the treaty work in its favor, Ojha added.

Visiting Prime Minister Khadga Prasad Sharma Oli and his Chinese counterpart Li Keqiang witnessed the signing of a 10-point bilateral agreement and Memorandum of Understanding (MoU), including the landmark transit and trade deal, according to a press communiqué issued by the Nepali Embassy in Beijing after the signing ceremony.

To increase connectivity, China has also agreed to construct a strategic railway link between the two countries through Tibet to Kathmandu. It is also likely to be extended later to Pokhara and Lumbini.

The visit also witnessed signing of an MoU between the Ministries of Commerce of the two countries for launching a Joint Feasibility Study of Nepal-China Free Trade Agreement.

Nepal's exports to China stands at just two per cent of its total trade, while its imports from that country stands at 12 per cent.

The two countries also signed an agreement on concessional Chinese loan for a new airport in Pokhara and a feasibility study for oil and gas survey projects. The much-anticipated agreement on commercial import of petroleum products from China was cancelled at the last moment.

During the meeting with his counterpart in Beijing's Great Hall of the People, Oli said that he had "come to China with a special mission."*(www.myrepublica.com, 21.03.2016).* ■

India exempts customs duty for power import from Nepal, Bhutan

THE Indian government has granted customs duty exemption on electricity imported from Bhutan and Nepal. Power generated from a plant located in a Special Economic Zone (SEZ) would attract a levy of up to INR 89 *paisa* (US$0.01) per unit.

"Electrical energy originating from Nepal and Bhutan" will attract standard customs rate of "nil", the Central Board of Excise and Customs said.

India imports 1.5 gigawatt (GW) of hydropower from Bhutan. This is projected to rise to eight gigawatt by 2022 by which time imports from Nepal too may start. *(www.economictimes.indiatimes.com, 17.02.2016).* ■

How trade can contribute to Sustainable Development Goals

The SDGs seek to ensure that trade plays its part in boosting growth, reducing poverty and promoting sustainable development.

Wimal Nanayakkara

At the United Nations Sustainable Development Summit on 25 September 2015, world leaders adopted the "2030 Agenda for Sustainable Development". It includes a set of 17 Sustainable Development Goals (SDGs) and 169 targets to be achieved by 2030. The SDGs and associated targets came into effect on 1 January 2016. The overarching principles of the "2030 Agenda" are that the agenda should be (i) universal, (ii) transformative and (iii) integrated, across the three dimensions of sustainable development: the economic, environmental and social dimensions.

Universal agenda means that they are applicable not only to developing countries, as was the case with the Millennium Development Goals (MDGs), but for all countries. Transformative agenda means that it should transform the economies, environment and society, in a way that will make the pattern of growth more inclusive and sustainable. The process of implementing the agenda should also reinforce sustainability of all the three aspects. There is also an emphasis on the need for the agenda to be integrated for the resolution of economic, environmental and social problems. These solutions benefit people while allowing for the preservation and sustainable use of the environment.

The SDGs are built upon the achievements of the MDGs, the eight goals that the world committed to achieve by the end of 2015. The SDGs, and the broader sustainable agenda, go much further than MDGs by

Box

Areas of critical importance

People– ending poverty and hunger in all their forms and dimensions and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment;

Planet– protecting the planet from degradation through sustainable consumption and production. Its natural resources must be managed sustainably apart from taking urgent action on climate change so that it can support the needs of the present and future generations;

Prosperity– ensuring that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature;

Peace– fostering peaceful, just and inclusive societies, which are free from fear and violence;

Partnership– mobilizing the means required to implement the proposed agenda through a revitalised Global Partnership for sustainable development. In doing so, particular focus should be on the needs of the poorest and most vulnerable even while ensuring the participation of all countries, stakeholders and all people.

Source : Sustainable development knowledge platform[1]

addressing the root causes of poverty and the universal need for development that works for all. Unlike MDGs, which had only eight goals and 18 targets to be achieved within 15 years, the SDGs have 17 goals and 169 targets to be achieved in 15 years. This is not going to be an easy task. Proper mechanisms are required to implement, regularly monitor and keep them "on track".

The 17 Goals and the 169 Targets are expected to stimulate action over the next 15 years in the areas of critical importance to humanity and the planet as shown in the box.

Engine of economic growth

International trade can significantly increase a country's income-generating capacity. Trade has been treated as an engine of economic growth and development in the global partnership. Trade is one of the essential means of implementation of a sustainable development strategy. The SDGs do emphasise the role that trade can play in promoting sustainable development. Out of the 17 SDGs, the following seven SDGs are related with trade and related activities, viz.:

SDG 2- End hunger, achieve food security and improved nutrition, and promote sustainable agriculture;

SDG 3- Ensure healthy lives and promote well-being for all, at all ages;

SDG 8- Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all;

SDG 10- Reduce inequality within and among countries;

SDG 14- Conserve and sustainably use the oceans, seas and marine resources for sustainable development;

SDG 15– Protect, restore and promote the sustainable use of terrestrial ecosystems and halt biodiversity loss;

SDG 17- Strengthen the means of implementation and revitalize the global partnership for sustainable development.

The integration of developing countries into regional and global markets is a central theme in the SDGs. To help achieve this objective, the SDGs seek to ensure that trade plays its part in boosting growth, reducing poverty and promoting sustainable development. The SDGs identify the following priority areas relating to trade: (i) SDG 8 recommends increasing aid from developed countries to developing countries for trade support, (ii) SDG 10 recommends the implementation of the principle of special and differential treatment for developing countries, (iii) SDG 17 emphasises the need to significantly increase the exports of developing countries, and recommends timely implementation of duty-free and quota-free market access on a lasting basis, especially for the least developed countries (LDCs).

Trade is an enabler of inclusive and sustainable development. It creates opportunities for economic growth, structural transformation and poverty reduction. Trade is also an important component for transforming the economies of the developing countries and the LDCs. While economic growth and effective strategies for income redistribution are essential for poverty reduction, they alone are not sufficient for poverty reduction, especially in low income countries. Effective planning and genuine implementation efforts to ensure that the benefits of growth are trickled down to poorer segments of the society are needed for inclusive economic development and poverty reduction, in the South Asian countries.

The SDGs recognise that a more open, transparent and well-functioning global agricultural market is an essential element of a wider strategy to end hunger, achieve food security and improve nutrition and promote sustainable agriculture. SDG 2 calls for an end to trade restrictions and distortions in world agricultural markets. Trade liberalisation within South Asia should result in increased market access for the countries in the region to sell their products and services within the region. Furthermore, fewer restrictions on trade between countries in the region will contribute to increased commercial activities and closer economic relations. Selling products across the borders, or to countries in the region, should always be easier than exporting them thousands of miles away. However, it is important to ensure that intra-regional trade activities benefit all the countries, without any undue advantage to any particular country or countries. This will lead to economic growth of the trading countries, which will help in reducing hunger and poverty. As hunger and malnutrition are inextricably linked with poverty, improved access to food must first and foremost be achieved through poverty reduction.

Mutually supportive trade and environment policies are at the core of achieving sustainable development goals. An expanding trade is creating greater opportunities for the poorer sections of the people in developing countries. But, at the same time, it is also creating tremendous challenges to the environment. To maximise the benefits of trade, it requires a deep understanding of the linkages between trade and environment, which are multiple and complex. Trade and environment are related, because almost all economic activities are based on environmental resources. Most of the basic inputs, such as metals, minerals, soil, forests and fisheries, as well as the energy needed to process some of them all depend upon the environment. Agricultural inputs like chemical fertilizer and insecticides, could affect the environment. Therefore, strong rules and regulations that clearly spell out how the environment shall be protected at national and international levels are needed. They should be such that trade activities can be expanded for the benefit of the people while preserving the environment for future generations. If properly planned and controlled, trade can enhance access to efficient and environmentally-friendly technologies.

> SDGs explicitly call for policies to promote sustainable tourism.

Tourism and SDGs

Trade related aspects of sustainable tourism play a prominent role in the SDGs. The SDG 8 explicitly calls for policies to promote sustainable tourism that creates jobs and promotes local culture and products. SDG 12 also highlights the importance of developing and implementing tools to monitor sustainable development impacts on sustainable tourism.

Tourism has become one of the fastest growing economic sectors, worldwide. It also has an important impact on job creation. Tourism offers direct and indirect employment opportunities throughout a country, particularly for youth in both urban and rural communities, especially in developing countries. Domestic tourism also accounts for a significant share of the sector's income. Expenditure by international tourists counts as exports of the country they visit. Most South Asian countries have enormous potential for tourism. They have a cultural heritage which dates back thousands of years, an unmatched bio-

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diversity, beautiful beaches with some of the world's best ocean resources, beautiful mountain ranges, etc. If tourism is promoted effectively, it would be one of the most important sources of foreign exchange earnings for these countries. As tourism encompasses a wide range of goods and service sectors, it generates multiple effects across many other economic activities that penetrate into the local economy, thus expanding trade growth.

Tourism can make a significant contribution to the three dimensions of sustainable development and has close linkages with other sectors. It has the potential to create decent jobs as well as to generate trade opportunities throughout the host countries. While it is important to harness the economic benefits and other positive effects of tourism, it is equally important to develop strategies to ensure that the possible negative effects of tourism, such as use of drugs, prostitution, child abuse, etc., are effectively controlled and minimised, and that the social and cultural values of the countries in the region are not affected in any way.

Sustainable development through trade in South Asia

The SDGs have given significant emphasis on the role trade can play in promoting sustainable development. There are about 20 SDG targets that are related to international trade. If the South Asian countries are to achieve the SDGs by 2030, it is important for them to plan suitable strategies to take the maximum advantage from the SDG recommendations. Some of these recommendations are eradication of extreme poverty, ending hunger, achieving food security and improving nutrition, promoting sustainable agriculture, ensuring healthy lives for all, promoting inclusive and sustainable economic growth, full and productive employment and decent work for all, reduction in inequality. All these interrelated goals are to be achieved while conserving the environment for the benefit of the future generations as well.


c2.staticflickr.com

It is not practical to expect all these improvements from international trade alone. There is more to be done to meet the SDGs within a short period of 15 years. Some of the countries in the region may find it more difficult to do so as their levels of human and economic development differ. Sri Lanka has a Human Development Index (HDI) of 0.757 (Rank 73) while Afghanistan has HDI 0.465 (Rank 171). Those with weaker socio-economic indicators will have to make additional effort to achieve the SDGs by 2030.

South Asia will have to take immediate action to develop suitable strategies, depending on the level of development in each individual country, and implement them as early as possible. As SDGs are complex and interrelated, there could be a lot of cross-cutting implementation issues. It would be necessary to establish an effective coordinating mechanism in each country to manage a large number of Ministries, Government Departments and various other stakeholders involved in planning and developing strategies and in implementing the SDGs. As SDGs are still a new subject to many people, it is also necessary to develop an effective awareness programme on the subject. Monitoring of the progress must be done regularly to ensure that the indicators are "on track" to be achieved by 2030. It should be the responsibility of the governments to ensure that the necessary funds are made available to all the agencies responsible for the implementation of SDGs throughout the next 15 years.

> South Asia must develop strategies depending on the level of development in each individual country.

It is also the responsibility of the international agencies and developed countries to provide technical and financial assistance to those in need of such assistance, to ensure that no country is left behind, as the SDGs pledges to "leave no one behind". Agenda 2030 also commits all UN member states to continue to promote meaningful trade liberalisation processes, over the next 15 years, to help maximise its contribution to the success of the sustainable development agenda. ■

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Note

[1] https://sustainabledevelopment.un.org/post2015/transformingourworld.

Following the adoption of Transforming Our World: The 2030 Agenda for Sustainable Development by the United Nations (UN) member states in September 2015, the world began interpreting the Sustainable Development Goals (SDGs). The agenda, containing 17 goals (see Table 3) with 169 targets and a 2030 deadline, officially came into effect on 1 January 2016. A set of 230 global indicators proposed by the Inter-agency and Expert Group on SDG Indicators was then agreed in March by the UN Statistical Commission after almost nine months of intensive work by the international statistical community.[1] Implementation of the agenda has

Debapriya Bhattacharya and Umme Shefa Rezbana

South Asian approach to Sustainable Development Goals

started within countries and at the regional and global levels, which may cause governments to reflect on what was learned during the implementation of the Millennium Development Goals (MDGs).

The eight MDGs were implemented, from 2000 through 2015, with the aim of addressing extreme poverty, hunger, disease, exclusion and lack of adequate infrastructure, while promoting gender equality, education and environmental sustainability.[2] The MDGs were a framework for accelerated development that the UN Secretary-General called "the most successful anti-poverty movement in history".[3] Although significant progress was made in several areas, progress was uneven across countries and regions. The 2030 Agenda reveals that uneven progress was found "particularly in Africa, least developed countries, landlocked developing countries and small island developing states, and some of the MDGs remain off-track, particularly those related to maternal, new-born and child health and reproductive health".[4]

For South Asia, the new agenda has been identified as being "particularly important".[5] Although the region, which consists of Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka, exhibits strong overall growth, weaknesses in the fiscal and financial sector persist.[6] Apart from extreme poverty, poor governance and security challenges hinder the development of the region. The 2030 Agenda promises to end poverty and hunger, protect human rights and the environment and promote sustainable and inclusive growth. It also calls for combating inequalities within and between countries, building peaceful, just and inclusive societies and empowering women. The SDGs go further than the MDGs by being universal—they apply to developed as well as developing countries—and pledges to "leave no one behind".[7] By successfully implementing the new agenda, South Asian governments have the opportunity to eradicate poverty and hunger, eliminate development gaps and provide their populations with a life of dignity and sustainable prosperity.[8]

The achievements of the MDGs stalled due to, among other reasons, the absence of proper regional approaches to implementation. Progress reviews and follow-up on commitments were also lacking. Now that the SDGs have replaced the MDGs, there are concerns about whether South Asia will make great development strides, given the inconsistent regional cooperation. The South Asian Association for Regional Cooperation (SAARC), the intergovernmental organisation founded in 1985 to promote regional development and integration, remains too weak.[9] Regional cooperation is key not only to face the challenges posed by the SDGs, but also for ensuring even progress across the region.

MDG lessons for South Asia

Despite being a fast-growing region, South Asia experienced slow progress on the MDGs.[10] The MDG lessons from South Asia show that progress was uneven and inequalities persist across countries. Although the region managed to reduce poverty, it is still home to a large number of poor people. South Asia is one of the most populous regions of the world with a total population of approximately 1.7 billion (or 23.7 per cent of the global population),[11] 18.8 per cent of which live below the poverty line. This figure is disproportionately higher than the global figure. Regarding the global population, 12.7 per cent live on US$1.90 per day or less.[12] South Asian gross domestic product (GDP) represents 8.48 per cent of the global GDP.[13] Gross national income per capita in South Asia was US$1,496 calculated according to the Atlas method, in 2014, while the global gross national income per capita was US$10,799.[14] Although economic growth in South Asia is forecasted to accelerate from seven per cent in 2015 to 7.4 per cent in 2016[15], this projection is greatly influenced by the strong expansion of India and its weight in the region. Net foreign direct investment inflows to South Asia in 2014 amounted to approximately US$41 million, representing about 3.4 per cent of global foreign direct investment inflows.[16] As of 2013, the trade-to-GDP ratio for the region was 50.8 per cent, which was below the world trade-to-GDP ratio of 59.4 per cent.[17]

The eight South Asian countries suffer from various development and infrastructure gaps.[18] According to the 2015 Global Hunger Index[19], South Asia had the second highest score at 29.4, after sub-Saharan Africa at 32.2. In 2015, it also received one of the lowest regional Human Development Index values at 0.607.[20] Labour markets suffer from poorly paid and unprotected jobs that are available mostly in the informal and agricultural sectors.[21] Cross-border and internal conflicts remain a threat to human development. According to the World Bank's World Development Indicators, the literacy rate among youth in South Asia appears to be increasing, while maternal mortality and child mortality rates are gradually decreasing.[22] Climate change and natural disasters pose enormous threats to the region. For instance, sudden-onset hazards have displaced more than 300 million people since 1970. In 2013 alone, Cyclone Viyaru (formerly known as Mahasen), Cyclone Phailin and India's monsoon flooding each displaced more than

Table 1
South Asian countries on and off track for MDGs

Goals	1		2			3			4		5			6			7				
Indicators	US$1.25 per day poverty	Underweight children	Primary enrolment	Reaching last grade	Primary completion	Gender primary	Gender secondary	Gender tertiary	Under-5 mortality	Infant mortality	Maternal mortality	Skilled birth attendance	Antenatal care (≥ 1 visit)	HIV prevalence	TB incidence	TB prevalence	Forest cover	Protected area	CO_2 emissions per GDP	Safe drinking water	Basic sanitation
Afghanistan		Yellow					Orange	Red	Orange	Orange	Orange	Orange	Orange	Yellow	Yellow	Green	Yellow	Yellow	Red	Green	Orange
Bangladesh[23]	Yellow	Yellow	Red		Orange	Green	Green	Orange	Green	Green	Orange	Orange	Orange	Yellow	Yellow	Green	Red	Green	Red	Green	Orange
Bhutan	Green	Orange	Orange	Orange	Green	Green	Green	Orange	Green	Green	Green	Yellow	Green	Yellow	Green	Green	Green	Green	Green	Green	Orange
India	Green	Orange	Yellow		Green	Green		Orange	Orange	Orange	Orange	Orange	Orange	Green	Green	Green	Green	Green	Green	Green	Orange
Maldives	Green	Yellow	Red		Green	Green	Green	Green	Green	Green	Green	Orange	Green	Yellow	Green	Green	Yellow		Red	Green	Green
Nepal	Green	Orange	Green	Red	Green	Green	Green	Orange	Green	Green	Green	Orange	Orange	Green	Yellow	Red	Red	Green	Green	Green	Orange
Pakistan	Green	Orange	Orange	Red	Orange	Yellow	Red	Green	Orange	Orange	Orange	Orange	Orange	Yellow	Yellow	Green	Red	Green	Green	Orange	Orange
Sri Lanka	Green	Yellow	Red	Green	Green	Green		Green	Orange	Orange	Orange	Green	Green	Yellow	Yellow	Green	Red	Green	Green	Green	Green

Green	Early achiever: Already achieved the 2015 target
Yellow	On-track: Expected to meet the target by 2015
Orange	Off-track: Slow; expected to meet the target, but after 2015
Red	Off-track: No progress/regressing; stagnating or slipping backwards

Source: Adapted from UNESCAP, ADB and UNDP (2015)[24] a million people.[25] The Worldwide Governance Indicators demonstrate that South Asia is lagging behind on all governance fronts.[26]

Table 1 shows MDG achievement statuses of the eight South Asian countries, according to the most recent data available. For the 21 selected indicators under seven MDGs, notable successes can be seen in halving the population living below US$1.25 (purchasing power parity) per day, halting tuberculosis (TB) prevalence and improving access to safe drinking water. On the health front, apart from succeeding in reducing the incidence of TB, most countries are on track in terms of reducing HIV prevalence.

Among the indicators under MDG 7, on environmental sustainability, all countries managed to increase the extent of protected areas, Afghanistan was on track and data for the Maldives were unavailable. Bangladesh, Nepal, Pakistan and Sri Lanka were off-track in terms of the proportion of land area covered by forest. Afghanistan, Bangladesh and the Maldives were off-track with regard to carbon dioxide emissions per US$1 of GDP (purchasing power parity). Moreover, most of the countries saw slow progress in eliminating gender disparity in tertiary-level enrolment, reducing the maternal mortality ratio and increasing the proportion of births attended by skilled health personnel and antenatal care coverage. The Maldives and Sri Lanka were off-track in terms of net enrolment ratio in primary education, while Nepal and Pakistan were off-track in terms of the proportion of pupils who start Grade 1 and reach the last grade of primary education.

Evidently, progress on the MDGs was uneven in the region. The off-track countries need to progress more than their on-track counterparts in the future. Reducing this gap necessitates strengthening regional efforts to assist individual countries to achieve the goals.[27] An example would be MDG 1 on eliminating poverty and eradicating hunger or, in other words, ensuring food security. The MDG experience showed that achieving food security requires food availability, less restrictive trade, more efficient food markets and adequate investment. In addition, the availability of reliable data on food and access to other relevant information remain important concerns for South Asia.[28] Regional collaboration is needed in areas such as water sharing, dam building, joint hydroelectric projects and watershed management. Regional interconnectivity is still weak—there is a need for more efficient and widespread regional transportation and storage facilities.[29] Intra-regional trade remains stagnant at around five per cent of total regional trade.[30] Indeed, South Asia has hardly deployed a regional approach with a view to attain the MDGs.

MDG progress in South Asia was uneven although the region managed to reduce poverty.

Transition from MDGs to SDGs

Compared to the MDGs, the SDGs are more inclusive, transformative, integrated and universal. The 17 SDGs consider six essential elements—dignity, people, prosperity, planet, justice and partnership. Unlike the MDGs, the 2030 Agenda was finalised through a participatory inter-governmental negotiation process in which governments, civil society organisations and the private sector were all able to participate. With the pledge to "leave no one behind", the agenda promises to ensure that everyone is included in the development process, especially traditionally excluded groups and poorer segments of populations. The 2030 Agenda uses the word "inclusive" 46 times. Although both the MDGs and SDGs have poverty alleviation as their overarching priority, the SDGs encompass more by incorporating related issues such as environmental quality and sustained economic resilience.[31]

The SDGs also differ from the MDGs in their transformational vision "to shift the world on to a sustainable and resilient path".[32] The SDGs are driven by five major transformative shifts:

- leave no one behind;
- sustainable development at the core;
- economic transformation for jobs and inclusive growth;
- peace and effective, open and accountable institutions for all; and
- a new global partnership.[33]

The integrated and universal nature of the SDGs also distinguishes them from the MDGs. The goals and targets are inter-related and cannot be implemented in isolation. For instance, SDG 1 on poverty is related to almost every other goal.[34] Further, SDG 4 on quality education will contribute to realising SDG 5 on gender equality. As mentioned, the universality of the SDGs refers to their applicability to both developing and developed countries, whereas the MDGs were designed for developing countries, with only MDG 8 on global partnership applying to developed countries. The notable differences between the MDGs and SDGs are summarised in Table 2 (next page).

The implementation of SDGs will be country-led, the follow-up and review processes will be voluntary and will respect the national policy space and priorities. Another important inclusion in the 2030 Agenda is the separate Goal (SDG 17) for means of implementation (MoI) with MoI targets under each of the other Goals. The MDG framework has been criticised for not properly recognising the role of regional monitoring and review mechanisms (RMRMs).[35] Indeed, the availability of effective RMRMs could have strengthened implementation of the MDGs at regional and national level by informing the process with more transparency and participation.[36] South Asia is no different in this respect. The 2030 Agenda mentions 'Follow-up and review" of SDG implementation, separately for the national, regional and global levels. The governments are encouraged to identify the most suitable regional forum for these purposes.

In the case of South Asia, 22 SAARC Development Goals were established by SAARC with a view to collectively address the problems of poverty and social development in member states—the aforementioned eight South Asian countries—by consolidating the MDGs into four broad categories, namely livelihood, health, education and environment.[37]

The SAARC Development Goals were adopted for the period of 2007–12 and later extended to 2015 to coincide with the MDG deadline. A proper evaluation and review of the SAARC Development Goals has not yet occurred. Moreover, whether or not the SAARC Development Goals will be re-contextualised in light of the SDGs has become a burning question. Discussions and consultations regarding the SDGs have taken place within SAARC. For instance, the declaration of the 18th SAARC Summit in 2014 directed member states to contextualise the SDGs at the regional level through an inter-governmental process. Relevant regional dialogues and workshops have included "Promoting Youth Participation in the Implementation of the SDGs", "SAARC Framework for Action for Education 2030" and "Post -2015 Development Agenda: SAARC Look". A concrete regional approach that leverages a strengthened SAARC, as a regional platform for SDG implementation, may indeed become essential.

Although the SDGs include many issues that were not identified in the

Table 2
Distinguishing between MDGs and SDGs

Distinguishing features	MDGs	SDGs
Participation in formulation	Created through a top-down process, largely determined by Organisation for Economic Cooperation countries and international donor agencies.	Created in a participatory inter-governmental negotiation process involving high-, middle- and low-income countries as well as civil society and the private sector.
Transformation	Were not transformative.	Have a transformational vision.
Integration	Were addressed in isolation of one another.	Present a united and integrated agenda by seeking open communication and efforts between the 17 goals.
Coverage	Applied in almost all cases only to developing countries and were considered in the context of "rich donors aiding poor recipients".	Are considered to be applicable to every country.
Dimensions of sustainable development	Dealt with basic needs.	Integrate the three dimensions of sustainable development – the economic, social and environmental.
Incorporation of 'zero' or 'minimum target'	Were set to get the world halfway to the goal of ending poverty and hunger by the end of 2015.	Are set to get to a statistical "zero" on hunger, poverty, preventable child deaths and other targets.
Treatment to poverty and hunger	Lumped poverty and hunger together in MDG 1.	Treat the issue of poverty separately from "food and nutrition security".
Aggregation and disaggregation	Dealt especially with averages and aggregates.	Emphasise a disaggregated look at marginalised groups.
Systemic issues	Did not place importance on non-financial means of implementation.	Include enabling environment and systemic issues that impact on sustainable development outcomes.
Means of implementation (MoIs)	Captured a limited set of MoIs under Goal 8.	Identify MoIs under each goal and under a separate Goal 17.
Human rights principles and standards	Failed to give adequate priority.	Are a step forward.
Peace and governance	Did not clearly identify peace and governance in goals and targets.	Include peace as a cross-cutting issue as well as Goal 16 to promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
Funding	Were largely envisioned to be funded by aid flows.	Put emphasis on domestic resource mobilisation to play critical role along with public and private resources.
Data	Did not place much importance on monitoring, evaluation and accountability.	Call for a "data revolution".

Source: Prepared by the authors based on Clarke (2015)[38]; Coonrod (2014)[39]; Boucher (2015)[40]; and Beare K. (2015)[41]

MDGs, there are also criticisms of the new agenda. For example, some observers predict that the increased number of goals will make mobilisation more difficult. Further, the UN Statistical Commission considers the agreed list of indicators to be "subject to future technical refinement and improvement", meaning that the world may not yet have the complete picture of the 2030 Agenda. Also, the agreed indicators are not necessarily applicable to all 193 UN member states and countries have space to develop their own. Since countries also have the opportunity to select their own national priorities, there are concerns about the developing countries falling into the so called ownership trap, where high expectations are addressed to them regarding implementation, but without the commensurate support from their development partners. There are fears that adopting a large number of indicators may end up sabotaging the shift to "leave no one behind" and the "universality" of the SDGs, given the dearth of data.[42] Above all, the issue is whether or not countries in the region are prepared to implement the Agenda's 17 goals and so achieve the most with it. How far will they take its cooperative measures to distribute development equally among countries is critical.

The issue is whether or not countries in the region are prepared to implement the agenda's 17 goals and so achieve the most with it.

Implementation challenges

Among various challenges in implementing the SDGs at the country level, five common challenges have been identified[43] and they are valid for South Asian countries. These challenges are:

- integration of the global goals in national planning processes;
- institutional mechanisms for implementation;
- mobilisation of financial and non-financial resources;
- availability of data for monitoring; and
- stakeholder participation and enforcement of accountability.

First, the 2030 Agenda states that cohesive, nationally owned sustainable development strategies will be at the heart of efforts. It encourages governments to develop ambitious yet practical national implementation plans. Integrating the goals into national plans, policies and programmes will likely be a challenge for South Asian countries. Early efforts are key to addressing this challenge. For example, the National Planning Commission of Nepal published a preliminary national report on the SDGs that identified opportunities and challenges of SDG implementation in the country.[44]

Second, devising purposeful institutional mechanisms will most likely be another challenge. In South Asian countries, planning commissions play the main role in coordinating the activities of government institutions. However, multi-sectoral coordination, including among central and local governments as well as public and private institutions, will be needed to implement the SDGs. In Sri Lanka, an advisory committee has been set up to raise awareness of the SDGs among stakeholders and it is expected that a body at the secretariat or ministry level will be established to plan and initiate a mechanism to implement and monitor the SDGs.[45] In Pakistan, a Third Party Validation Survey for the World Bank found that there were issues with compliance, reporting, management, coordination, supervision and intra-departmental linkages. To address these issues, the federal Ministry of Planning and Development and Reforms created an SDG Unit within the Planning Commission and requested that each province follow suit.[46] Regional approaches along these lines will also be required.[47]

Third, the SDGs will require additional global investment of US$5–7 trillion per year up to 2030.[48] Of this, developing countries will need US$3–4.5 trillion per year in financing for basic infrastructure, food security, climate change mitigation and adaptation, health and education.[49] According to estimations by the UN Economic and Social Commission for Asia and the Pacific (UNESCAP), to close the gaps in infrastructure alone by 2030, South Asian countries will require US$4–5 trillion.[50] Meeting these figures necessitates social investments, raising more domestic and external resources, raising tax-to-GDP ratios, innovative taxes for specific SDG priorities like education, sanitation and infrastructure, and harnessing the potential of public–private partnerships. India recently incentivised sustainable investments by financial institutions.[51] In Pakistan, the federal and provincial governments are in the process of calculating the financial costs of, and resources required for, the implementation of the SDGs by mapping the indicators. They also initiated programmes to increase the tax-to-GDP ratio.[52]

Fourth, another important challenge will be the availability of quality data for tracking progress. Coordination among national statistical organisations and the private sector is crucial to address methodological gaps, validate unofficial data and ensure the accessibility and timeliness of data. Technological support and research and development will be required throughout the SDG implementation period. South Asia spends only 0.7 per cent of its GDP on research and development compared to 2.6 per cent in East Asia.[53] The allocation of more resources to research and development is required to face implementation challenges across South Asia.

And, fifth, ensuring participation of all relevant stakeholders will also be needed in planning, implementation and monitoring. Identifying the role of each stakeholder will be essential in this case. The Sri Lankan government has already established partnerships with stakeholders and areas of cooperation. This was done at the first national summit on "Foresight and Innovation for Sustainable Human Development 2016".[54] While participation is ensured, enforcing accountability is also important. Compared to MDGs, the accountability mechanism for the 2030 Agenda needs to be much more comprehensive and should go beyond mere monitoring. Meaningful engagement of all the stakeholders in the accountability processes, including excluded groups, needs to be ensured at all levels.

Designing a regional approach

Unfortunately, regional approaches to implementation, monitoring and review were not properly identified in the MDGs. More specifically, inadequate monitoring and review mechanisms were recognised as one of the fault lines of the MDGs.[55] In South Asia, no clear regional approach was seen during the implementation period of the MDGs. However, the regional aspect of monitoring and review received attention during the global discussions on the 2030 Agenda. The emphasis on inclusiveness and a data revolution reflect the need for regional assessments of progress on the SDGs.[56] An effective transition from the MDGs to SDGs, the utilisation of development resources and inclusive development by addressing asymmetries[57] among countries each imply regional cooperation as a potential means for implementation of the 2030 Agenda. The needs for finance, trade, investment and technology in implementation create opportunities for regional cooperation.

A regional approach to implementing the 2030 Agenda should cover all the SDGs and focus on regional priorities. For instance, a South Asian regional approach could focus on regional public goods such as anti-corruption initiatives and good governance, climate change, clean energy, environment, health, food security, transport and communications, cross-border infrastructure, addressing the acidification of oceans and stopping cross-border crime. Table 3 presents possible regional instruments and approaches, for South Asia, by goal.

The integration of the 2030 Agenda into SAARC's Regional Integrated Programme of Action would be a significant step for South Asia. SAARC could anchor the regional approach to SDG implementation and foster collaboration among regional commissions, regional development banks and other regional entities. It could also help with investing resources, perform coordination within the region and beyond and ensure the participation of stakeholders—civil society organisations, the private sector, the scientific community and regional research centres and think tanks. By strengthening regional capacities and national systems, SAARC could support the generation of quality and timely data for proper monitoring and progress review on the SDGs.

Upcoming SAARC Summit

SAARC should play a fundamental role in deciding on regional priorities and the means to achieve the new goals and targets laid down by the Agenda. SAARC should also create an enabling environment for economic integration, intra-regional connectivity and transportation, business and trade and promoting peace and security. With regard to the data revolution, priority should be given to strengthening national statistical organisations, improving the quality and frequency of nation-wide surveys and data collection on regional public goods, South–South and North–South cooperation and facilitating collaboration for data collection at the regional level. All discussions going forward should first consider the MDG lessons from across South Asia.

> To close the gaps in infrastructure alone by 2030, South Asian countries will require US$4–5 trillion.

The upcoming SAARC Summit in Islamabad, Pakistan on 8–10 November 2016 provides a unique opportunity to devise a regional approach to SDG implementation. One of the first steps would be to re-contextualise the SAARC Development Goals in light of the SDGs. In Africa, the African Union and the UN Economic Commission for Africa organised a Ministers' conference focusing on an integrated and coherent approach to the implementation, monitoring and evaluation of Agenda 2063—the African Union's long-term development agenda—and the SDGs.[58] A similar exercise in South Asia would benefit the region. Regional organisations such as national governments, UNESCAP, regional development banks, financial institutions and trade bodies may be brought together alongside academics and experts. The regional approach should particularly focus on the poorer and smaller economies in the region.[59]

Second, the SAARC Summit could consider establishing a group of eminent persons to provide a comprehensive outlook for the next 15 years. In 1997, SAARC had set up such a group at the Ninth SAARC Summit to articulate a collective vision on a phased approach to regional integration. The working independence of such a group must be ensured. In the context of the 2030 Agenda, it could also carry out work such as identifying priority areas for the region, identifying data needs, creating an empirical baseline for regional monitoring, and conceptualising and operationalising a regional SDG index.[60] The group could produce periodic thematic reviews on topics such as regional public goods and environmental performance as well.

Third, SAARC could anchor the follow-up and review processes for monitoring SDG implementation in South Asia. The 2030 Agenda welcomes the cooperation of regional and sub-regional organisations in the follow-up and review of implementation.[61] A follow-up and review carried

Table 3

Possible regional instruments and approaches to implementation of the 2030 Agenda

SDGs	Possible regional instruments and approaches
Goal 1. End all forms of poverty everywhere	• Raising efficacy of ongoing SAARC poverty alleviation programmes and the SAARC Development Fund • Deepening economic integration by expanding regional frameworks such as the South Asian Free Trade Area and South Asia Trade in Services Agreement
Goal 2. End hunger, achieve food security, improve nutrition, promote sustainable agriculture	• Effectively utilising the SAARC Food Bank and SAARC Seed Bank • Sharing knowledge on farming technology • Reducing trade barriers and liberalising food grains
Goal 3. Ensure healthy lives and promote well-being for all at all ages	• Regional financing for research and development on combating infectious diseases • Launching region-wide awareness-raising campaigns
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Strengthening institutions such as the South Asian University • Providing more scholarship programmes and student exchanges
Goal 5. Achieve gender equality and empower all women and girls	• Cross-border exchanges among civil society organisations via SAARC • Sharing knowledge among countries
Goal 6. Ensure availability and sustainable management of water and sanitation for all	• Basin-wide cooperation in water management
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all	• Share knowledge on renewable energy, its conservation and efficient use • Develop a regional energy grid and energy trade • Promote cross-border pipelines and primary energy trade • Participation of regional investors in special economic zones
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Sharing information on macroeconomic policies • Framing business rules to facilitate cross-border investments under a regional cooperation framework to boost intra-regional trade
Goal 9. Build resilient infrastructure, inclusive-sustainable industrialization, foster innovation	• Coordinated investment in regional infrastructure, transport connectivity • Harmonising and aligning rules and regulations
Goal 10. Reduce inequality within and among countries	• Regional trade and investment cooperation to reduce disparities • Gradually moving towards South Asian economic union
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	• SAARC-wide coordination to address intra-regional migration • Exchanging more information
Goal 12. Ensure sustainable consumption and production patterns	• Deepening trade and investment cooperation • Exchanging more information and agri-scientists
Goal 13. Take urgent action to combat climate change and its impacts	• Applying best practices and designing a South Asian mechanism • Pooling resources for disaster relief in the region
Goal 14. Conserve and sustainably use ocean, sea and marine resources	• Regional cooperation among maritime countries • Coordinated exploitation of marine resources in the Bay of Bengal
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, manage forests, combat desertification, halt/reverse land degradation and biodiversity loss	• Implement regional strategies e.g. a database on biodiversity resources and their vulnerability, invest in water conservation, prevent exploitation of rivers and regulating ground water extraction in basins[62] • More basin-wide coordination, development of the Sundarbans region
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• Sharing best practices • Investing in regional institutions for skill building and training • Sharing intelligence on capital movements to address illicit financial flows • Addressing the human and drug trafficking problems in the region[63] • Educating people on relevant issues • Adopting and using technology
Goal 17. Fortify implementation and Global Partnership for Sustainable Development	• More involvement and coordination between regional organisations • Devising a regional monitoring and review mechanism

out by SAARC should focus on the full range of areas covered by the SDGs and their means of implementation. Thematic reviews could also be undertaken. Notably, African countries have benefited from the African Union's African Peer Review Mechanism, a voluntary mechanism that promotes more effective governance.[64] SAARC could establish a similar peer review mechanism in the context of the 2030 Agenda. Think tanks, CSOs, business bodies and the private sector may come together and perform independent assessments of the SDGs and prepare a review report. Such a report may regularly feed into the SDG implementation and monitoring status prior to each SAARC Summit.

Fourth, SAARC can take on some aspects of financing, one of the core challenges in SDG implementation. In addition to official development assistance and domestic resource mobilisation, South–South cooperation is expected to be an important source of development finance. The SAARC Development Fund could be used to attract finance and invest in ways that complement SDG implementation plans and efforts in the region. Raising the efficacy of the SAARC Food Bank and SAARC Seed Bank is necessary. SAARC could consider pooling resources and establishing sectoral funding mechanisms for regional priorities such as infrastructure, poverty alleviation and climate change.

Finally, capacity building and technology transfer are essential during the SDG implementation period. The need to strengthen the capacity of the SAARC Secretariat to meet demands and collaborate with regional research centres and think tanks should be taken into consideration. The contribution of the global South to new knowledge creation is very low, which is demonstrated by the small number of new patents held by individuals and firms in South Asian countries.[65] The establishment of links among regional research institutions, promotion of peer learning and information exchange and allocation of more resources to research and development

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in SDG areas would benefit all SAARC member states. Moreover, monitoring of the progress on the ambitious 2030 Agenda requires capacity building in data collection and statistical production, which will require significant funding. SAARC could consider the creation of a regional trust fund for data and statistics that would fund capacity building for national statistical organisations. To complement the regional review process, SAARC may also consider conducting a regional data mapping exercise. ■

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Mega-regionals at odds with Sustainable Development Goals

Mega-regionals are emerging as the "21st century" trade agreements that can provide the basis for future plurilateral trade deals.

Biswajit Dhar

While adopting the Sustainable Development Goals (SDGs), the global community underlined the contribution that the global trade regime can make to inclusive development. This was captured in the statement of intent of the SDGs, and more importantly, in the form of specific targets included under three Goals. Another significant development came, almost coinciding with the adoption of the SDGs, in the realm of trade. It was the finalisation of the first mega-regional trade agreement, the Trans-Pacific Partnership (TPP). Mega-regionals are emerging as the "21st century" trade agreements[1] that can provide the basis for future plurilateral trade deals. With the multilateral trading system under the World Trade Organization (WTO) facing an existential crisis, especially after the Nairobi Ministerial Conference ended with an ambivalent Declaration in December 2015,[2] the mega-regionals have assumed considerable importance from the point of view of providing a framework of trade rules.

However, unlike the multilateral trading system, which is expected

to provide the space to the weakest among the trading nations to develop with the help of trade, the mega-regionals are like exclusive club that work in the best interests of their members. In other words, these agreements promote exclusions in several key areas, a point we shall dwell on later in this article.

This article first dwells on the way in which the SDGs have addressed the critical issues related to trade and then highlights the key elements of mega-regionals.

SDGs and trade regime

The SDGs provide a perspective on the trade regime with due focus on reducing the development deficits. The 2030 agenda has agreed that "[i]nternational trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development". There was a consensus "to promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the WTO, as well as meaningful trade liberalisation" and to "redouble their efforts to promptly conclude the negotiations on the Doha Development Agenda". Countries endorsing the SDGs emphasised the "importance to providing trade-related capacity-building for developing countries, in particular African countries, least developed countries, landlocked developing countries, small island developing states and middle-income countries, including for the promotion of regional economic integration and interconnectivity".

These assertions were translated into several specific targets and means of implementation by the signatory countries (see Box).

The focus of the SDGs was clearly on improving the effectiveness of the multilateral trading system to enable it to deliver development-oriented outcomes. However, within a month of the adoption of the United Nations General Assembly (UNGA) Resolution and, therefore, the SDGs, a group of 12 countries adopted the first so-called mega-regional free trade agreement (or mega-regional), the Trans-Pacific Partnership (TPP). The TPP has already been formalised and awaiting ratification by its member states. It involves 12 countries: the United States (US), Japan, Malaysia, Vietnam, Singapore, Brunei, Australia, New Zealand, Canada, Mexico, Chile and Peru.

Two other mega-regionals are currently being negotiated. The Regional Comprehensive Economic Partnership (RCEP), involving the 10-member Association of South East Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam) and its six free-trade agreement (FTA) partners in its immediate neighbourhood (China, Japan, Korea, Australia, New Zealand and India). The Transatlantic Trade and Investment Partnership (TTIP) involves the US and the European Union.

Like most preferential FTAs that have been adopted during the past couple of years, the three mega-regionals are expected to provide frameworks of rules defining economic governance. However, unlike the existing FTAs, both bilateral and regional, which have created a plethora of rules and have caused the "noodle bowl" syndrome, the mega-regionals could see a strong convergence of rules. In other words, these agreements could dictate the contours of economic engagement between countries. This feature of the mega-regionals needs to be examined, in particular, their implications for the realisation of the SDGs and their targets.

Features of mega-regionals

The world of preferential trade agreements is currently undergoing a major change with the coming of the mega-regionals. These mega-regionals are attempting to consolidate a number of bilateral FTAs, and, in the process, they are giving a substantial boost to the economic integration agenda among the participating countries.

Discussions on their establishment have centred on whether the agreements have militated against the interests of non-members through the FTAs. More recently, however, the FTAs have developed a tendency to add several levels of exclusion and this is most explicit in mega-regional trade agreements. The first level of exclusion, one that is immediately evident, is that the mega-regionals are driven by a small set of countries (the ASEAN members in the case of RCEP) or even one country (the US in the

Box
SDGs and global trade regime

Targets

8.a. Increase Aid for Trade support for developing countries, in particular LDCs, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to the LDCs.

10.a. Implement the principle of special and differential treatment for developing countries, in particular the LDCs, in accordance with the WTO agreements.

17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of negotiations under its Doha Development Agenda.

17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all the LDCs, consistent with the WTO decisions, including by ensuring that preferential rules of origin applicable to imports from the LDCs are transparent and simple, and contribute to facilitating market access.

case of TPP). Most other developing members of the mega-regionals have to, at best, play catch up.

Yet another level of exclusion evident in the mega-regionals is that their processes are driven by the dominant market forces. These entities set the bar at a level of their convenience and every participating country is expected to conform to that level. The assumption is that all participating countries have the capacity to take high levels of commitments.

This feature of the mega-regionals was evident when the TPP participants were negotiating market access issues. They were expected to eliminate tariffs as opposed to the traditional FTA approach of exchanging tariff preferences among members. Their tariff preferences reflected their offensive and defensive interests, and any country could therefore balance its interests in order to gain from an FTA.

An important feature of mega-regionals is the coping capacities of the countries involved. Importance is being given to the product/process standards. These standards are fast emerging as the new instruments to help guard the markets of TPP members. But, the world of standards is expanding way beyond the narrow confines of product/process standards. They now include areas like intellectual property rights, investment and trade facilitation, to name a few.

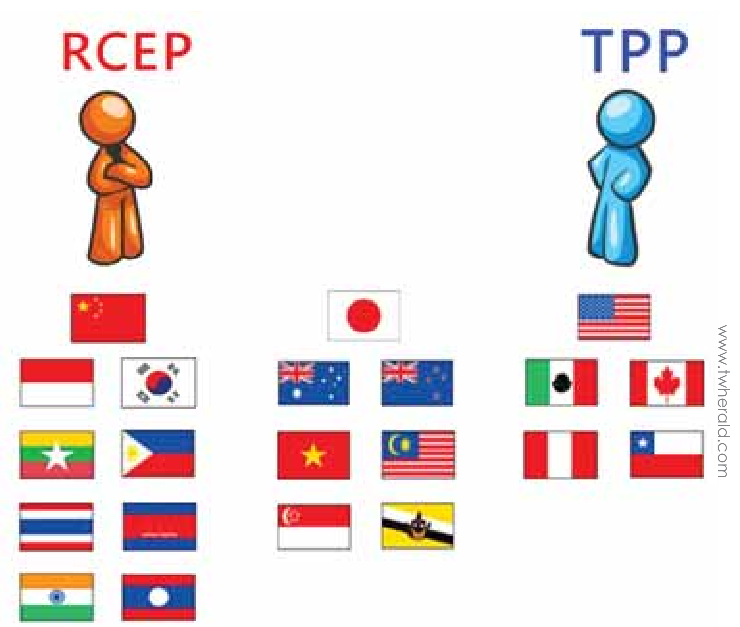
Within a month of the adoption of the SDGs, 12 countries adopted the first mega-regional agreement the Trans-Pacific Partnership (TPP).

Standard setting has always been the most challenging area for trade negotiators. They are confronted with two sets of arguments. Their natural instincts push them towards harmonising the standards. This approach, they claim, reduces transaction costs. Thus, when all countries adopt the same standards, authorities in different countries would not be called up to conduct detailed exercises to test the quality of the products. A routine inspection would suffice. However, if harmonisation is to be effective, the chosen standard must be of the highest level. This is what can be learnt from the experiences gathered from different forums. The preferred standards are always close to the peak.

Setting standards, using the more stringent levels as the norm, raises serious questions as to whether all the countries have the requisite capacities/capabilities to conform to the requirements. There is also an added question of whether such standards are the most cost effective to address the problem they seek to address. When several standards are to be set, including those used for enhancing environmental and food safety, it has been concluded that the very high standards would only increase the cost of compliance. This is apart from the fact that their incremental contribution to meet the objectives would be marginal, if any. The high cost of compliance and /or adaptation would create exclusions, for many developing and least developed economies would find it difficult to comply with the new sets of standards that are being put in place.

In the context of trade and development, the investment protection regimes and intellectual property rights are closely intertwined. Advanced countries are using the mega-regionals to enhance the rights of their investors and intellectual property owners explicitly to increase their control over the market. Thus, when developing countries look for enhanced flows of investment for augmenting their investible resources, questions are asked about the stringency of their intellectual property laws. These countries are encouraged to adopt the highest standards of intellectual property protection, in other words, to adopt the so-called Trade-Related Aspects of Intellectual Property Rights (TRIPS)-plus standards.

The demands for higher intellectual property standards ignore the fact that developing countries need flexibilities even within the TRIPS Agreement, let alone TRIPS plus. They need a way to address their critical needs of access to medicines, which was recognised through the Doha Declaration on TRIPS and Public Health. Ratcheting up of intellectual property standards would make their



impact felt on two counts. One, prices of medicines would be higher and as a consequence, patients in developing countries would be denied access to affordable medicines. And, two, the market for technology could become more constricted making it difficult for the small and medium enterprises (SMEs) to get access to the technologies they need to improve their competitiveness. The latter dimension could have a much wider impact. With the SMEs getting adversely affected, the formation of—regional production networks, which has been seen as one of the major prospective gains from the formation of regional trade agreements (RTAs), could suffer a setback.

Investment agreements have generally adopted a template which provides high levels of protection to foreign investors. It includes an investor-state dispute settlement (ISDS) mechanism that allows a foreign investor to litigate against its host government using private international arbitration mechanisms under the rules of the International Centre for Settlement of Investment Disputes (ICSID)[3] or United Nations Commission on International Trade Law (UNCITRAL)[4] rules. In recent years, the number of ISDS cases has increased substantially[5], a development that has made several governments re-think about these investment agreements. South Africa and India are among countries that have amended their bilateral investment treaties[6], while Indonesia has decided to let the agreements lapse when they come up for review[7].

The framework of economic integration agreements epitomised by the mega-regionals are, without doubt, driven by short-term sentiments. These agreements are not designed to take cognisance of the development imperatives. It is, therefore, important for the excluded to actively consider a path that does not follow one traversed by the existing economic integration agreements. These agreements have encouraged countries to trade on the basis of their initial comparative advantage, but have not provided the opportunities to participating countries to climb the development ladder. Hence, they defy their comparative advantage.[8] While the development experiences of the present day advanced countries are rife with examples where countries have defied their comparative advantage over time, the FTAs have tended to deny a historical truism.

SDGs and mega-regionals: Can the twain meet?

An obvious conclusion arising from the discussion is that the respective objectives of the SDGs and the mega-regionals are completely at odds with each other. While the former focuses on reducing the development deficits, the latter seeks to further consolidate the position of the powerful market forces. There are examples to show how the mega-regionals are designed to serve the interests of the powerful entities. At the same time, these agreements do not provide the space to the less developed countries to benefit from market integration initiatives.

It is also significant to note that the SDGs are focused on a multilateral trading system, which it considers as the harbinger of change in global trade and economic relations. The 2030 agenda does not recognise the regime changes that are taking place. The WTO is increasingly being marginalised to provide a greater space to mega-regionals to control the levers of global trade and economic policies. The formalising of the TPP and the increasing likelihood of at least two other mega-regionals, the RCEP and the TTIP, could imply that the agenda of a democratic and, therefore, an inclusive trade scheme visualised in the 2030 Agenda would be a non-starter. ■

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Notes

1 In 2009, President Barack Obama made the following statement: "The United States will also be engaging with the Trans-Pacific Partnership countries with the goal of shaping a regional agreement that will have broad-based membership and the high standards worthy of a *"21st century trade agreement"*. For details see, The White House (2009), "Remarks by President Barack Obama at Suntory Hall", November 14 (Accessed from: https://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-suntory-hall).

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4 UNCITRAL provides the rules for commercial arbitration, including investor-state dispute resolution. These rules were first adopted in 1976. (Accessed from: http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/2010Arbitration_rules.html)

5 In 2012 and 2013, the total number of disputes has been 58 and 57 respectively, the most recorded for two consecutive years. For details, see, the UNCTAD publication, "Recent Developments in Investor-State Dispute Settlement (ISDS)". (Accessed from: http://unctad.org/en/pages/publications/Intl-Investment-Agreements---Issues-Note.aspx).

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SDGs through trade facilitation in South Asia

Better trade facilitation leads to increased trade, where rising trade means more likelihood of achieving the SDGs.

Prabir De

Trade can play an instrumental role in achieving the Sustainable Development Goals (SDGs) and their targets if its potentials to contribute to growth and poverty reduction are unleashed. The SDGs seek to ensure that trade plays its part in boosting growth, tackling poverty and promoting sustainable development. Considerable importance is given to the role trade can play in promoting sustainable development across the world. Six of the 17 SDGs have direct implications on trade, but there are more that have indirect implications. Therefore, trade facilitation can be said to have a direct link with the SDGs.

An important focus of the SDGs is on the integration of developing countries and the least developed countries (LDCs) into regional and global markets. This can only happen through trade. And, without adequate facilitation measures, trade may not be sustained. Barriers to trade across countries, particularly in the form of non-tariff measures (NTMs), are unpredictable, non-transparent, cumbersome and complicated. At the same time, inefficient trade procedures have been causing significant delays, raising transaction costs and impeding value creation and economic growth in South Asia in a significant manner. Therefore, trade facilitation may come to play a meaningful role in achieving the SDGs. The causality between SDGs, trade and trade facilitation is that higher trade facilitation leads to increased trade, where rising trade means more likelihood of achieving the SDGs, *ceteris paribus.*

Trade barriers in South Asia

Benefits from trade policies remain undermined by excessive costs and delays associated with export and import of goods and services in the region. Intra-regional trade in South Asia has been only around five per cent per annum for quite some time now. There is a strong presence of NTMs, including high border transaction costs, hindering progress on that score. Conventional wisdom, based on the new trade theory, holds that there is a little room for fostering intra-regional trade through collective action because of large trade barriers among these countries. Table 1 presents a list of major elements holding back South Asian integration. The high transportation costs, poor institutions, inadequate cross-border infrastructure etc. are some of the elements penalising the region's trade and integration.

Dealing with these barriers to trade, connectivity and trade facilitation, therefore, is central to South Asia's regional (and global) economic integration.

SDG mandates

The SDGs identify the following priority areas relating to trade and connectivity. They want to:

- end trade restrictions and distortions in world agricultural markets (SDG 2)
- increase Aid for Trade (AfT) support for developing countries, in particular the LDCs (SDG 8)
- build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (SDG 9)
- implement the principle of special and differential treatment for developing countries, in particular the LDCs (SDG 10)
- significantly increase the exports of developing countries, in particular with a view to doubling the LDCs' share of global exports by 2020 (SDG 17)
- realize timely implementation of duty-free and quota-free market access on a lasting basis for all the LDCs, including by ensuring that

preferential rules of origin applicable to imports from the LDCs are transparent and simple, and contribute to facilitating market access (SDG 17)

Illustrated in Table 2 (next page), Goal 17, with its three specific targets (17.10 to 17.12), aims to revitalize trade as an engine for development. To attain these goals, South Asian countries have to undertake various trade facilitation measures, which would directly contribute to these targets. At the same time, strengthening of domestic resource mobilisation would pave the way for implementation of Goal 17. South Asian countries may also consider undertaking initiatives towards integrating trade finance and supply chain finance with trade facilitation. Efficient and well-functioning trade and customs processes are also essential to collect revenue from international transactions.

The SDG 16 aims to promote peaceful and inclusive societies for sustainable development and provide access to justice for all and build effective, accountable and inclusive institutions at all levels. Trade facilitation can certainly fulfil two of its targets. Implementing a regional trade facilitation agreement or the World Trade Organization (WTO)'s Trade Facilitation Agreement (TFA) (WTO-TFA) would help promote rule of law in trade across borders. There must be equal access to justice in case of disputes (16.3). Similarly, introducing a single window system, national or otherwise, will certainly reduce corruption (16.5).

Trade facilitation has a role in achieving food security, thereby ending hunger (SDG 2). Trade facilitation will help countries correct and prevent trade restrictions and distortions in the world agricultural markets in accordance with the mandate of the Doha Development Round (2.b).

The SDG 8 seeks to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Opening the region to e-business has considerable potential to reduce transaction costs and improve transparency. This would constitute a key contribution to SDG 8. So would AfT support, particularly to the LDCs. Aid is required by developing countries and the LDCs to implement the WTO-TFA. Increased AfT support, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to the LDCs, would be a welcome development (8.a).

South Asian countries suffer from fragmented infrastructure resulting in connectivity gaps. The SDG 9 (build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) has strong implications for South Asian integration. This should include regional and trans-border infrastructure to support economic development and human well-being. The focus must be on affordable and equitable access for all. Thus would South Asian countries achieve SDG 9 (9.1). Sustainable and resilient infrastructure development must be facilitated, in parallel, through enhanced financial, technological and technical support to African countries, LDCs, landlocked countries and small island countries (9.a).

When needed, the principle of special and differential treatment for developing countries, in particular LDCs, in accordance with WTO agreements can be implemented in order to reduce inequality within and among countries (SDG 10).

Improving trade facilitation measures—unilaterally or otherwise—would help South Asian countries achieve some of the major SDGs.

Recommendations

Implementation of the SDGs requires strong institutions and mechanisms, not to mention national and state level cooperation among stakeholders. There is enough scope for simplification of documentary requirements to meet international standards. Besides, building highways, improving border infrastructure, strengthening banking and financial infrastructure, establishing transparency in governance etc. would improve the global competitiveness of South Asian countries. What is more, the implementation of the WTO-TFA would help South Asia simplify and harmonise its customs procedures by moving towards a pa-

Table 1
Elements holding back South Asia's integration

Macro elements	Micro elements
• Inadequate and poor stock and link of infrastructure • Absence of regional transit trade • High procedural obstacles • Complicated and non-transparent NTMs • Lack of standards and harmonisation of product and process standards • Poor institutions and governance, including lack of regional mechanism • Lack of coordination at border authorities	• Lack in simplification and harmonisation of trade procedures, more particularly at land border • Absence of modern corridor management techniques, including dedicated corridors for goods in transit • No fast track lane and priority of goods in transit to cross the border • Lack of standard operating procedures (SOPs) at select borders • Incompatible or absence of testing facilities, banks, scanner, etc.

Source: Author's own

perless trade environment. The United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT) offers suggestions and templates on cross-border harmonisation of customs procedures. In order to meet the SDGs, several measures are proposed for South Asia below.

First, many of the export and import documents along South Asian corridors are still not submitted and/or processed electronically. Submission of documents is largely handled manually (over 80 per cent of trade documents on average).[1] Exporters and importers (or their Custom House Agents) have to submit all trade documents online. National single windows are essential in the region for paperless trade. Inter-operability of electronic interfaces in South Asia is also required. India's Single Window, known as SWIFT (Single Window Interface for Facilitating Trade), is a case in point. (see Box 1). This has made most of India's export and import procedures easier. Other South Asian countries may undertake similar initiatives. The South Asian Association for Regional Cooperation (SAARC) Secretariat may initiate the process to integrate the national single windows and facilitate the setting up of a regional single window including its interoperability.

Secondly, SAARC Secretariat, or their respective National Trade Facilitation Committees, to request their

Table 2

Trade facilitation: SDGs and corresponding targets

Goal	Target
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round.
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to least developed countries.
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least development countries, landlocked developing countries and small island developing states.
Goal 10. Reduce inequality within and among countries	10.a Implement the principle of special and differential treatment for developing countries, in particular LDCs, in accordance with WTO agreements.
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all. 16.5 Substantially reduce corruption and bribery in all their forms.
Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development	17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of negotiations under its Doha Development Agenda. 17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020. 17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all LDCs, consistent with the WTO decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access.

Source: Drawn by author from Sustainable Development Knowledge Platform[2] development partners to aid facilitation measures. These development partners who support other trade facilitation areas, such as the Economic and Social Commission for Asia and the Pacific (UNESCAP) and the Asian Development Bank (ADB), can help the South Asians prepare a web-based, interactive knowledge management tool for simplifying cross-border trade. This would provide a single source of essential trade facilitation information.

Third, many measures in the WTO-TFA have a direct link with SDGs. Effective implementation of the WTO-TFA is expected to reduce total trade costs by more than 14 per cent for low-income countries and more than 13 per cent for upper middle income countries by streamlining the flow of trade across borders. Therefore, ratification of the WTO-TFA is a must.

Fourth, a starting point for implementation of SDGs would be to activate national trade facilitation committees. Alternatively, respective line ministries of South Asian countries may constitute an expert group to implement the SDGs, including inter-ministerial coordination as discussed above. There is a need for coordination among the public and private sectors and among users and providers of trade-supporting services.

Fifth, LDCs need greater assistance in implementing the SDGs. It must be ensured that aid and efforts continuously go to the LDCs and small island countries.

Sixth, the SAARC Secretariat, in collaboration with UN agencies, should take steps to assist South Asian countries, particularly the LDCs, in implementing the SDGs. The SAARC Secretariat may consider signing a Memorandum of Understanding (MoU) with UN agencies to strengthen strategic partnership for effective capacity-building, technical assistance outreach and support to South Asian countries. The accord should aim to enhance trade through the implementation of the SDGs with particular reference to trade facilitation. At the same time, country ownership and experience in trade facilitation is crucial. Given its central location and large economy, India's leadership in trade facilitation may certainly make a positive impact, which will be welcomed by others.

Seventh, cross-border trade facilities should be made available round the clock for seamless movement of goods and vehicles in South Asia. South Asian countries have to modernise and reform customs and border agencies unilaterally without waiting for aid linked to the SDGs. Additional capital inflow and technology improvement can be sourced from the regional fund or international or regional development organisations.

Eighth, an integrated and sustainable trade and transport facilitation monitoring mechanism (TTFMM) may be considered. It can measure the implementation performance regarding trade facilitation measures. Business Process Analysis (BPA) is another tool to implement paperless trade.

Trade facilitation is an area where South Asia is yet to make substantial progress. Benefits to be derived from implementing trade facilitation measures towards SDGs are significant. Undoubtedly, trade facilitation will continue to play a key role in forming a common market in South Asia. ■

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Box
SWIFT

The Central Board of Excise and Customs (CBEC), Government of India has launched Customs SWIFT (Single Window Interface for Facilitating Trade) clearances in April 2016. Customs SWIFT enables importers/exporters to file a common electronic 'Integrated Declaration' on the Indian Customs and Central Excise Electronic Commerce/Electronic Data interchange (EC/EDI) Gateway (ICEGATE) portal. The Integrated Declaration compiles the information requirements of Customs, Food Safety and Standards Authority of India (FSSAI), Plant Quarantine, Animal Quarantine, Drug Controller, Wild Life Control Bureau and Textile Committee. It replaces nine separate forms required by these six different agencies and Customs. With the roll-out of the Single Window, CBEC has also introduced an Integrated Risk Management facility for Partner Government Agencies (PGAs), which will ensure that consignments are not selected routinely by agencies for examination and testing. The tests are rather based on the principle of risk management. Indian Customs is amongst a few select countries that have functional Single Window clearances, inclusive of multiple PGAs and integrated risk based selection. The Single Window system is a crucial implementation of trade facilitation measure for goods clearance at the country's points of entry and exit. Efficiency in import and export procedures would save large sums of money for traders in reduced costs and delays. In order to work collaboratively with agencies and industry stakeholders, port and central level Customs Clearance Facilitation Committees (CCFCs) have been established. They simplify and streamline their inter-agency procedures and documentary requirements for import and export of cargo.

Source: CBEC, Government of India[3]

Notes

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Paradox between Benefit sharing and patent rights in India

There are concerns over how a benefit sharing regime will deliver on the intended objectives of the law, since there are some deep conceptual fault lines that must be examined.

Yogesh Pai

One of the most controversial North-South issues in trade and environment since the advent of modern biotechnology is the misappropriation of genetic resources and associated traditional knowledge (TK).[1] The genetic resources and associated TK act as inputs to research, utilisation and commercialisation of products/ services involving genetic resources.

The Convention on Biological Diversity (CBD) lays down a broad

framework recognising sovereignty over genetic resources and associated TK[2] by requiring conservation of biological diversity, sustainable use of its components and ensuring fair/equitable sharing of benefit from the utilisation of such genetic resources. Thereafter, the Nagoya Protocol (NP) laid down the terms and conditions of benefit sharing[3], without changing the structural framework of access and benefit sharing (ABS) enshrined in the CBD (in terms of the sovereign prerogative of countries to regulate ABS as a matter of contract)[4]. Together, the CBD and NP facilitate bio-prospecting by balancing conservation and sustainable use of biological resources with the commercial benefits arising from utilisation of biological resources.[5]

As noted: "Despite attempts during negotiations to go into detail with regard to how a functional ABS system can be constructed, the Working Group maintained the principle of sovereignty of countries to regulate access to genetic resources under their jurisdiction. The NP does not alter the basic understanding that ABS is based on a contract between the provider country and user of genetic resources, or an administrative decision of the provider country."[6]

Within this framework, the norms concerning benefit sharing have been hotly contested. While the NP largely clarified the rules governing fair and equitable sharing of benefits[7], a recurrent issue is the economic valuation of biological resources, including those that involve genetic resources and associated TK[8]. Some studies have noted that "transaction costs and legal uncertainty" have created "severe implementation problems" in connection with the CBD.[9] In fact, the NP came into effect in 2014, promising to implement a broadly standardised regime that would facilitate benefit sharing and create more legal certainty[10], while leaving it to sovereign countries to determine the specifics. India implemented the NP regime by promulgating "Guidelines on Access to Biological Resources and Associated Knowledge and Benefits Sharing Regulations, 2014".[11] One of the primary objectives of these guidelines was to provide guidance for benefit sharing in the utilisation of genetic resources or associated TK in products/processes on which patents are procured. Patents allow their holder to monetise the product or process by granting an exclusive right, while the objective of benefit sharing is to allow the claimants (i.e. the intended beneficiaries of benefit sharing regime) to reap the benefits of commercialisation of the biological resource.[12]

However, there are some concerns over how such a benefit sharing regime will deliver on the intended objectives of the law, since there are some deep conceptual fault lines that must be examined. Such conceptual concerns affect the regime's intended objectives as these concerns emerge from the current regulatory framework of the interplay between the biodiversity legislation and intellectual property law, primarily the patent law. The purpose of this short note, which is exploratory in nature, is to ensure that the current framework of biodiversity legislation is properly synchronised with the patent system, to ensure effective sharing of benefits arising from the use of biological resources by patenting and commercialising a product/process that embodies them. It proposes that an effective benefit sharing regime must operate on a system of valuation that is consistent with the market realities and economic structure of the patent system. In other words, it highlights a conceptual loophole that does not address the futility of benefit sharing in cases where patents rights are subjected to public policy restraints, especially when the valuation may not correspond to the full market value of the product/process incorporating the genetic resource or associated TK. While benefit sharing is an important instrument to secure the public interest for the holders of genetic resources and associated TK, its objective may be defeated by the countervailing public interest that places restraints on the exclusive rights of patent holders. Hence, when patent rights are weakened to benefit competitors and consumers, benefit sharing may be severely impacted.

> An effective benefit sharing regime must operate on a system of valuation that is consistent with the patent system.

Patents and public policy restraints

The right to exclude that is the essence of the patent system and is at the core of the benefit sharing regime relating to the exploitation of genetic resources and associated TK.[13] A successful benefit sharing regime is possible when patent holders are able to commercially exploit their inventions by producing new and innovative products. However, in some circumstances, such as the imposition of liability rules, patent holders cannot realise the full market value of their inventions.[14] Liability rules rob the patent holder of the right to refuse a license, thereby allowing a third party, not the market, to determine the value of the patented product or process.[15] Some scholars have noted the anti-commons effect of patents in the biotechnology industry[16], while others have refuted anti-commons by looking into historical evidence in several industries. The latter suggest that markets have a self-correcting mechanism.[17]

Liability rules are generally imposed in situations where the patent holders' 'right to exclude' interferes with the societal or public interest by blocking avenues for research or access to patented products.[18] Such blockages are either compensatory or non-compensatory. They may be imposed through patent law (research exemption, denial of injunctive relief, government use, compulsory licences) or antitrust law (by imposing compulsory licences as remedies for abuse of patents).[19] Measures like price control/

royalty caps on patents also effectively constrain the capacity of patent holders to commercially exploit their inventions.[20] While there is uncertainty surrounding their efficacy, there is also a strong view that they may not affect incentives to innovate[21], based on the reasoning that competition would drive firms to engage in a race to gain exclusive access to resources. In turn, the commercialisation of the genetic resources by procuring a patent would lead to benefit sharing that is driven by the market. Within this framework, ensuring a fair and equitable ABS can be achieved by imposing minimum royalties, not by capping the royalty entitlement of indigenous communities or any other intended beneficiary. This argument garners further support when due consideration is given to the fact that there is a lack of clarity as to how royalties should be structured to achieve the optimum benefit sharing regime.

Does Nagoya Protocol provide guidance?

The CBD and NP create a regime for access to genetic resources and associated traditional knowledge, which essentially facilitates access to information.[22] The NP recognises the economic value of genetic resources, which is evident from its call to recognise "that public awareness of the economic value of ecosystems and biodiversity and the fair and equitable sharing of this economic value with the custodians of biodiversity are key incentives for the conservation of biological diversity and the sustainable use of its components". Although the economic basis of benefit sharing is recognised in the Protocol, it does not seem to adopt an adequate economic approach while devising the contours of the benefit sharing regime in the context of intellectual property.

For instance, referring to the economic character of ABS, an author has rightly noted that CBD and the NP act as a clearing house mechanism, rather than leading to cartelisation:

"The Protocol is not a move toward cartelisation that the economics of information would justify, but its exact opposite: a move toward perfect competition. Again, we return to the power in economic abstraction. Joan Robinson, arguably John Maynard Keynes' best student, pioneered the concept of 'monopolistic competition' by which products are differentiated to secure some minimal economic rent. From the economics perspective, the Clearing House Mechanism and Information Sharing of Article 14 would tend to eliminate monopolistic competition. Once every other element of access is non-differentiated through 'model contractual clauses' (Article 19), industry will be able to drive down the royalty even further from the already laughable percentages."[23]


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Clarity is lacking regarding the royalty structure needed for optimum benefit sharing.

This reasoning is consistent with the fact that patent rights are not usually awarded to specific market players, and that the bulk of the value lies not in the genetic resource *per se*, but in the patented product or process associated with the genetic resources or traditional knowledge. Therefore, the incentive of charging monopolistic prices leads to a higher economic valuation, furthering the objective of benefit sharing.

However, what is of concern in the context of CBD and the NP is its failure to address the real constraints on the exercise of patents rights in relation to biological resources and its implications on benefit sharing. In failing to do so, these instruments provide the States with absolute leeway to tailor benefit sharing regimes and further public interest by tinkering with patent rights, such as imposition of compensatory liability rules. This oversight is a result of the failure to address the linkage between the patent system and the benefit sharing regime from an economic perspective. The NP, in its Preamble, merely recognises "the importance of genetic resources to food security, public health, biodiversity conservation and the mitigation of and adaptation to climate change", but stops short of offering a legal framework based on an economic understanding of benefit sharing in the context of patent law.

Therefore, the question remains: does the lack of guidance on valuation of patents in the context of liability rules marginalise benefit sharing? If so, does the benefit sharing regime ensure fairness for claimants who part with their valuable knowledge, hoping to benefit from the commercial market value of the patents that embody it?

Indian biodiversity regime

India has been at the forefront of the debate on intellectual property rights and bio-prospecting. The Biological Diversity Act, 2002, is a seminal legislation that provides a robust framework for access to genetic resources and fair and equitable benefit sharing. The Act includes conservation and use of biological resources for the purposes of research, bio-survey and bio-utilisation, as well as any other com-

> **Does the lack of guidance on valuation of patents in the context of liability rules marginalise benefit sharing?**

mercial purpose. Both foreigners and Indians are required to comply with the requirements under the Act. They include body corporates, associations or any other organisations incorporated/registered in India or abroad. The National Biodiversity Authority (NBA) and State Biodiversity Boards (SBB) administer the access and benefit sharing regime for both foreign and domestic applicants.

However, it is too early to evaluate the success of the operation of the Biological Diversity Act, 2002. A 2014 study on ABS has noted that: "The NBA has received more than INR 4.3 million as royalty from seven agreements of which INR 20,000 has been sent to a Biodiversity Management Committee (BMC) and the rest remains with the NBA. Almost 90 per cent of the monetary benefits have come from a single case and source, namely, from PepsiCo India Holdings Pvt. Ltd. for seaweed export."[24] As of June 2017, around 153 applications on FORM III (approval for obtaining IPR) were granted.[25]

Any violation of the Biological Diversity Act is a cognizable and non-bailable offense, punishable with a fine. While it is expected that such a draconian legislation would provide clarity on the stipulated terms of fair and equitable sharing of benefits, in reality, it leaves much to be desired.

As mentioned earlier, the Guidelines issued by the NBA in 2014, soon after the NP, did provide some clarity on the modalities of benefit sharing. Pertinently, they provide for situations where an IP right is procured on the accessed resource and are based on the premise that royalty payments made to the NBA will be ploughed back to benefit the claimants or holders of biological resources.[26] The relevant guideline in this regard is as follows:

"9. Mode of benefit sharing in IPR — (1) The applicant shall, in case of commercialising the IPR obtained, pay to the NBA such monetary and/ or non-monetary benefit, as agreed between the applicant and the NBA.

(2) Where the applicant himself commercialises the process/product/ innovation, the monetary sharing shall be in the range of 0.2 to 1.0 per cent based on the sectoral approach, which shall be worked out on the annual gross ex-factory sale minus government taxes.

(3) Where the applicant assigns/ licenses the process/product/innovation to a third party for commercialisation, the applicant shall pay to NBA 3.0 to 5.0 per cent of the fee received (in any form including the license/ assignee fee) and 2.0 to 5.0 per cent of the royalty amount received annually from the assignee/licensee, based on the sectoral approach."

Furthermore, the Guidelines suggest that the specific nature of the biological resource may be taken into consideration while negotiating the terms of benefit sharing, as apparent from the following:

"14. Determination of benefit sharing — (1) Benefit sharing may be done in monetary and/ or non-monetary modes, as agreed upon by the applicant and the NBA/ SBB concerned in consultation with the BMC/Benefit claimer, etc. Options for such benefit sharing are provided in Annexure 1.

(2) Determination of benefit sharing shall be based on considerations such as commercial utilisation of the biological resource, stages of research and development, potential market for the outcome of research, amount of investment already made for research and development, nature of technology applied, time-lines and milestones from initiation of research to development of the product and risks involved in commercialisation of the product:

Provided that special consideration may be given to cases where technologies/products are developed for controlling epidemics/diseases and for mitigating environmental pollution affecting human/animal/plant health."

The guideline makes benefit sharing contingent on several factors, including market conditions, the nature of research and development and the risks involved in commercialisation. It may give special consideration to cases where technologies/products are developed for controlling epidemics/ diseases and for mitigating environmental pollution affecting human/ animal/plant health. Benefit-sharing contributes to the input costs, which get transferred to the consumer, in exchange for the maximisation of consumer surplus/public interest by promoting access to new technologies involving biological resources that are critical to addressing public health, climate change etc.

However, the guideline does not elaborate on the modalities of how such factors may be taken into consideration while securing the Act's primary objective of benefit sharing. Therefore, it remains to be seen how benefit sharing will work to the advantage of claimants or holders of genetic resources and associated TK, an objective for which the benefit sharing regime was originally envisaged. In cases where public policy places significant restraints on the ability of technology producers to appropriate fair returns from the marketplace, the mandate of the Biological Diversity Act, 2002 must be implemented effectively while balancing the interests of claimants or holders of genetic resources and associated TK, on the one hand, and the interests of market place competitors and consumers, on the other.

The brief note provided an exploratory view of an interesting contestation between two competing interests involving the benefit sharing claimants and general sections of the public. It noted that the scheme incentives for benefit sharing under the biodiversity regulatory regime are closely aligned with the patent system. This leads to a complex situation where the patent holder's incentives, when interfered with for advancing the public interest, can have corresponding consequences for benefit sharing. This paradox is recognised under the Indian biodiversity regime. However, how such issues will be addressed in the future remains uncertain. ■

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The patent holder's incentives, when interfered with for advancing the public interest, can have consequences for benefit sharing.

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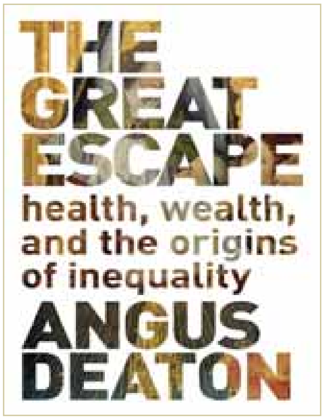

Humanity's great escape

Title: The Great Escape: Health, Wealth, and the Origins of Inequality
Author: Angus Deaton
Publisher: Princeton University Press
ISBN: 978-0-691-15354-4

Dinushika Dissanayake

The Great Escape, altogether, delivers good news. The world is, overall, richer, healthier, and happier than it used to be 100 years ago. However, that does not mean that every individual on earth has been able to make the great escape from poverty, ill-health, hunger, and all the ills that come with poverty. The truth, unpalatable as it is, is that growth does not come alone, but is most often accompanied by growing inequality; "Many of the great episodes of human progress, including those that are usually described as being entirely good, have left behind them a legacy of inequality".

Angus Deaton's assertion is something that humanitarian workers and governments have experienced on the ground. As economies grow, as cities expand and a section of the populace becomes richer, the gap between the rich and the poor becomes wider. Growth does not mean growth for everyone at the same pace, and escape from poverty does not mean escape for everyone. The story, really, concentrates less on those who managed to escape, and more on those who could not escape, did not escape, and never considered escaping. In the context of the Sustainable Development Goals, this nexus gains monumental importance. From January 2016, the world has committed itself to ending extreme poverty by 2030. In holding good to these promises, Deaton's analysis of progress and inequality is of great importance for national policy formation.

An interesting 'gem' that national policy makers should take account of is that "there is no tight relation between income and health, and even less between health and expenditures on health care". Increasing government expenditures on health care will not automatically mean that the health of the general population will improve. In Sri Lanka, for example, the Chronic Kidney Disease of Unknown Etiology (CKDu) is increasingly claiming the lives of perhaps the most important populace—the paddy and vegetable cultivators, the farmers. Applying Deaton's logic, increasing health care expenditure will not mean that a healthier population will emerge. Especially for a chronic disease that affects the kidneys, increased knowledge of the causation of the disease, and strategic investment in reducing the causation of ill-health, in this case, CKDu, is key to improved health, and therefore, wealth. As Deaton says, "There are ways of ensuring good health at low incomes and ways of spending large sums of money to no purpose."

Despite these, however, one must respectfully digress to some degree on the analysis of foreign aid and its impact on the poor countries and those who have not been able to make the great escape. Giving credit to what Deaton calls the "aid illusion" one can conscientiously dispel the bias of the illusion that aid is always good. Deaton makes a persuasive argument that foreign aid in principle will not have the equal and opposite reaction of reducing global poverty. An example he raises is India and China, which have shown exponential growth through economic growth albeit with much less foreign aid than African nations, many of which are still mired in dire poverty. The idea is that economic growth is the surer way to reduce global poverty—not foreign aid.

Therefore, it is not the principle of foreign aid that is at fault, but the design, use and monitoring of the use of foreign aid. The fact that countries where life is 'nasty, brutish, and short' use foreign aid to entrench and support non-democratic regimes and institutions, is not the fault of aid in principle—if aid is used to improve economic growth rather than for ad-hoc development projects or for improving personal fortunes. Such growth then should lead to reduction in global poverty (at least extreme poverty). The handmaiden of economic growth of course will be growth in inequalities—but the world, going by the example of the last two hundred years, should as a whole, be a better place. In fact, aid should have the effect of improving rule of law, and democracy, which may improve the welfare of the people, since aid comes always with attached conditions, some of which are good, some of which are less desirable.

Therefore, to say "large scale aid does not work because it cannot work, and attempts to reform it run aground on the same fundamental problems over and over again" is to eschew foreign aid; which would be virtually shutting out the important role it has played. ■

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Climate finance in LDCs

The World Economic Forum has projected that, by 2020, about US$5.7 trillion will be needed annually for green infrastructure investments.

Mehrin Karim

Background

"Let us not take this planet for granted. Climate change is real." These were the words that echoed at this year's Oscars from the famous actor, Leonardo DiCaprio.

Stabilising the global climate is going to be one of the most urgent challenges in the coming decades. In order to tackle this problem, developing countries would require funds to mitigate, or adapt to, the problems. And, this is where climate finance plays its part.

In developing countries, climate change investment needs are significant, but direct government funding is scarce. The World Economic Forum has projected that, by 2020, about US$5.7 trillion will be needed annually for green infrastructure investments, much of which will be in today's developing world. A recent research by the International Institute for Environment and Development (IIED) estimates that the cost for 48 least developed countries (LDCs) to implement their post-2020 climate action plans would be around US$93 billion per year.

Climate finance

Climate finance refers to financing channelled by national, regional and international entities for climate change mitigation and adaptation projects and programmes. They include climate specific support mechanisms and financial aid for mitigation and adaptation.

The necessary finance is sourced from public, private and public-private sectors. It is channelled through various intermediaries, notably banks and financial institutions, micro-finance institutions, development cooperation agencies, the United Nations Framework Convention on Climate Change (UNFCCC) and its various funds, including those managed by the Global Environment Facility, non-governmental organisations and the private sector. The finance can come from developed to developing countries (North-South), from developing to developing countries (South-South), from developed to developed countries (North-North) or it could just come from domestic climate finance sources in developed or developing countries. At the moment, climate funds are almost all counted as the Official Development Assistance (ODA) under Development Assistance Committee (DAC) rules.

For climate change mitigation, a case can always be made for funding to be directed to relatively big emitters (large middle-income countries) where the biggest reductions in greenhouse gas emissions can be achieved. But meeting the scale of climate finance needed to support the LDCs to implement their climate action plans, submitted to the Paris conference on climate change, is a compelling priority. The IIED analysis suggests that this can be estimated at $93.7 billion per year between 2020 and 2030.

Status of climate finance

According to IIED, out of the US$40 billion of climate finance provided to developing countries each year, only a third has made it to the LDCs, whereas 70 per cent went to middle income countries.

The European Union (EU) is the largest contributor of climate finance to developing countries. It is also the world's biggest aid donor, collectively providing more than half of global ODA. Climate change is being increasingly integrated into the EU's broader development strategy.

While continuing to invest in domestic climate action, the EU climate action plan is scaling up climate finance to help the poorest and most vulnerable countries mitigate, and adapt to, climate change. At least 20 per cent of the EU budget will be spent on climate action by 2020. Also, at least €14 billion, an average of €2 billion per year, of public grants will support activities in developing countries between 2014 and 2020.

The director of the European Capacity Building Initiative, Benito Müller, wants to enhance direct access to the Green Climate Fund's (GCF) resources through devolution of decision-making to the local level. Developing countries are advised to test their existing financial transfer mechanisms, such as development banks, to choose the most effective way to reach local communities.

The GCF is a new fund set up under the UNFCCC to channel US$100 billion a year from the developed countries to the developing countries to help tackle climate change. Bangladesh was among the first eight countries to be allocated funding by the GCF. Countries can get funding

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Governments should understand the requirements of the various international and multilateral sources of finance.

from the GCF by demonstrating good practice in transparency and accountability of climate funding. Policymakers in developing countries are also unlocking public-private flows for inclusive investment in low-carbon development.

Opportunities and challenges for LDCs

Government ministries in developing countries typically work with a very short time horizon. Finance and planning departments are often thinking about the next annual budget or are working to formulate it. At most, they may be working out a five-year plan. They are thus trapped into just extrapolating the present ways of doing things far into the future as well.

The LDCs and developing countries should devise ways to tackle climate change with international financial support. For example, climate finance can be used to reduce greenhouse gas emissions and sell the surplus carbon credits to other countries that need them to reduce their own carbon footprints. However, the low return in the international carbon market is a hindrance for reaping the benefits of carbon trading.

It is worth noting that the allocation of short-term and mid-term financial support for developing countries has not been specified in the Paris Agreement. And, any absence of predictability and reliability of climate finance, in terms of resource allocation, would pose a serious challenge for developing countries to implement the Agreement.

Cases from Nepal and Bangladesh

Nepal has developed a policy framework to help integrate climate resilience into national and local development planning. The framework includes the National Climate Change Policy (2011), the National Framework on Local Adaptation Plans for Action (LAPA) (2011) and the Low Carbon Climate Resilient Development Strategy. The latter is under development.

Nepal is also making progress in integrating climate resilience into economic, social and environmental objectives at the sector level. For example, in the energy sector, the National Rural and Renewable Energy Programme that was launched in 2011 is bringing together a number of existing initiatives and is providing a national platform for future work. Climate finance coming from the Scaling-Up Renewable Energy Programme (SREP) of the World Bank's Climate Investment Funds is contributing to this.

Accountability, transparency and integrity in climate finance are areas that are difficult for Nepal to maintain, but the country has made significant progress in establishing an institutional mechanism for climate finance delivery.

The climate change policy of the Government of Nepal predicts that 80 per cent of the climate investment will reach those communities where it is needed the most. At the local level, climate and environmental problems are so intertwined that differentiating between the two, is problematic. It is made even more so by the fact that the budgetary system does not indicate actual climate expenditure either. In order to track the budget allocation for climate, the National Planning Commission (NPC) conducted the Climate Public Expenditure and Institution Review in 2011 and subsequently developed a tracking system founded on the use of climate budget codes for all climate activities under all public sectors.

The Bangladesh Climate Resilience Fund (BCRF) was set up with international funds from the United Kingdom, the European Commission, Denmark and others. Its governance includes representation from the donors and is managed by the World Bank.

BCRF also allocates funds to projects which are larger than the Bangladesh Climate Change Trust (BCCT)—a statutory body formed under Climate Change Trust Act, 2010 to administer Climate Change Trust Fund (CCTF)–and has a robust evaluation system. It manages several hundred million dollars for fewer, but bigger, projects than the BCCTF. Since, it was slow in disbursing funds it is now being wound up with money left unspent.

Conclusion

Many LDCs are investing in addressing climate change which could have been used to address their other development needs. This is due to lack of resources to fight climate change. Therefore, knowledge of how to access available finance, is a crucial challenge for the LDCs. Governments and project developers should understand the requirements of the various international and multilateral sources of finance. ■

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Regional meeting on trade, climate change and food security

SAWTEE and Oxfam organised a two-day regional meeting on "Regional cooperation on trade, climate change and food security in South Asia: Reflections and way forward" in Kathmandu on 27-28 December 2015.

The overall objective of the workshop was to discuss issues on trade, climate change and food security relevant to South Asia based on the experience and outcomes of studies conducted by SAWTEE. The workshop focused on building a common understanding and strategy for mutual cooperation in South Asia on trade, climate change and food security.

Fifty-four participants representing governments, civil society, private sector, academia, development partners and the media participated in the consultation. Stakeholders from five different South Asian countries underlined the need for regional cooperation to expedite trade, address climate change concerns and overcome food insecurity during the consultation.

Starting the deliberations of the workshop, Dr. Hiramani Ghimire, Executive Director, SAWTEE provided a brief overview of the workshop. He said that the workshop would touch upon, among others, developments in the 10th Ministerial Conference of the WTO, the 21st Session of the Conference of the Parties (COP21) and the recently adopted Sustainable Development Goals (SDGs).

Chairing the opening session, Dr. Pushpa Raj Rajkarnikar, Chairman, Institute for Policy Research and Development (IPRAD) stressed the need to explore ways to ensure that South Asian Association for Regional Cooperation (SAARC), as a regional bloc, can serve the common goal of deepening regional cooperation in South Asia. He called for a common South Asian agenda in multilateral forums like the WTO.

Ms. L. Savithri, Director, SAARC Secretariat, urged South Asian countries to come together for greater regional integration in South Asia and stressed the need for putting aside political issues.

Presenting the outcome of the 10th WTO Ministerial in Nairobi, SAWTEE Chairman Dr. Posh Raj Pandey highlighted some of the major expectations of South Asian countries from the Nairobi Ministerial, particularly in agriculture, services, rules of origin (RoO), and other implementation related issues and concerns. He presented some of the major achievements made in the 10th WTO Ministerial, which included the commitment to abolish subsidies for farm exports, preferential RoO for the least developed countries (LDCs), and implementation of preferential treatment in favour of services and service suppliers of the LDCs.

The discussions on the vital issues continued in the following sessions and also the next day. During the closing session, participants discussed the potential areas of cooperation in South Asia. They highlighted the need to strengthen networking and partnership with South Asian governments for wider collaboration towards the creation of coherence among trade, climate and food security policies. They also identified common areas in trade, climate change and food security for future collaboration, including to assist the implementation of the SDGs. ■

Report launch: An economy for the 1%

THE richest one per cent now have more wealth than the rest of the world combined according to the flagship report of Oxfam "An Economy for the 1%". The global inequality crisis is reaching new extremes. Power and privilege is being used to skew the economic system to increase the gap between the richest and the rest. A global network of tax havens further enables the richest individuals to hide US$7.6 trillion. The fight against poverty will not be won until the inequality crisis is tackled.

In the run up to the world economic forum at Davos, Oxfam launched the report globally on 18 January two days before the official Davos meeting. The report was launched in Pakistan by the Sustainable Development Policy Institute (SDPI).

Speaking as the Chair, Dr. Abid Q. Suleri, Executive Director, SDPI, said that "An Economy for the 1%" looks at how and why the inequality is increasing. He opined that the report sets out shocking new evidence of an inequality crisis that is out of control.

Distinguished speakers of the programme stressed that growing economic inequality is bad for all. It undermines growth and social cohesion. The consequences for the world's poorest people are particularly severe. ■

Trade competitiveness around emerging 'new issues' in multilateral trade agreements

A High Level Policymakers' Workshop on "Boosting Trade Competitiveness around Emerging 'New Issues' in Multilateral Trade Agreements" was held in Colombo during 16-18 March 2016. The workshop was organised by the Trade Competitiveness Section (TCS), Commonwealth Secretariat in Partnership with Department of Commerce, Government of Sri Lanka, Institute of Policy Studies (IPS), and International Institute of Sustainable Development (IISD).

The objective of the workshop was to build capacities of Commonwealth member states including Sri Lanka on 'new issues' that may enter the multilateral arena with the emergence and rapid expansion of mega free-trade agreements and identify opportunities and challenges in the existing and emerging trade agreements.

Addressing the inaugural session IPS Executive Director, Dr. Saman Kelegama said "the workshop provides a unique opportunity to gain both valuable insights from experts in the field as well as share each other's experiences. In doing so, we are better placed to reinforce a common desire to boost the trade competitiveness of developing countries through greater market access, services liberalisation, and trade facilitation".

Hon. Rishad Bathiudeen, Minister of Industry and Commerce, was the chief guest at the event. Around 20 foreign participants from 10 Commonwealth member states participated at the workshop to share their insights. ■

Training on regulatory impact assessment

CUTS Centre for Competition, Investment & Economic Regulation (CUTS CCIER) along with CUTS Institute for Regulation and Competition (CIRC) and Jacobs, Cordova and Associates organised a training programme from 18 – 19 January 2016 on Regulatory Impact Assessment (RIA) for Telecom Regulatory Authority of India (TRAI) in New Delhi.

RIA is a process of systematically identifying and assessing the direct and indirect impacts of regulatory proposals and existing regulations, using consistent analytical methods. It involves a participatory approach via public consultation to assess such impact, determination of costs and benefits, and selection the most appropriate regulatory alternative.

The focus of the training workshop was to familiarise the officials about the concept of RIA, its importance, advantages as well as challenges and educate them regarding the RIA tools and their application in policy making.

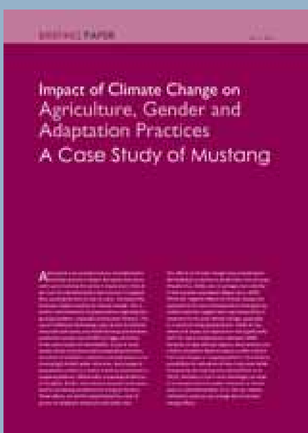
The key resource person for the training programme was Mr. Scott Jacobs, Managing Director, Jacobs, Cordova and Associates, United States. He is a leading global expert and author with 30 years of experience in regulatory reform and good business environment. ■

30 years of CAG
Citizen consumer and civic Action Group

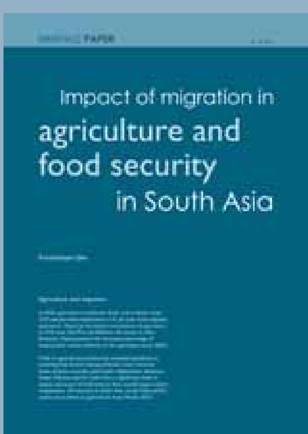
Workshops on internet safety

CITIZEN Consumer and Civic Action Group (CAG) and Federation of Consumer Organisations – Tamil Nadu & Pondicherry (FEDCOT), in association with Consumer Voice and GOOGLE, organised a workshop on "Internet safety" in Pondicherry on 15 March 2016. The same organisations held a similar workshop at Sundar, Chennai on 16 March 2016. ■

Policy Brief: Impact of Nepal's Earthquake on Food Security and Livelihood of the Urban Poor
Author: Neelu Thapa
Publisher: SAWTEE



Policy Brief: Impact of Climate Change on Agriculture, Gender and Adaptation Practices : A Case Study of Mustang
Author: Shaleen Khanal
Publisher: SAWTEE



Policy Brief: Impact of migration in agriculture and food security in South Asia
Author: Purushottam Ojha
Publisher: SAWTEE

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South Asia Watch on Trade, Economics and Environment (SAWTEE) is a regional network that operates through its secretariat in Kathmandu and member institutions from five South Asian countries, namely Bangladesh, India, Nepal, Pakistan and Sri Lanka. The overall objective of SAWTEE is to build the capacity of concerned stakeholders in South Asia in the context of liberalization and globalization.

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