Measuring impact of NTMs on SDGs

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Outline

- NTMs and SDGs : linkages
- Results of the ARTNeT Survey
- Overview of the UN DA 10 Project
- Preliminary thoughts and methodological approaches
- Conclusion

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SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

Trade is featured as a means of implementation

- In addition to a stand-alone goal (17) on the **means of implementation** for the new agenda, specific means are tailored to each of the sustainable development goals
- 12 out of the 17 SDGs contain targets that either explicitly mention trade and investment or are closely linked to it
- In terms of the number of targets within the SDGs, 35 out of 169 targets either explicitly mention trade and investment or are closely linked to it

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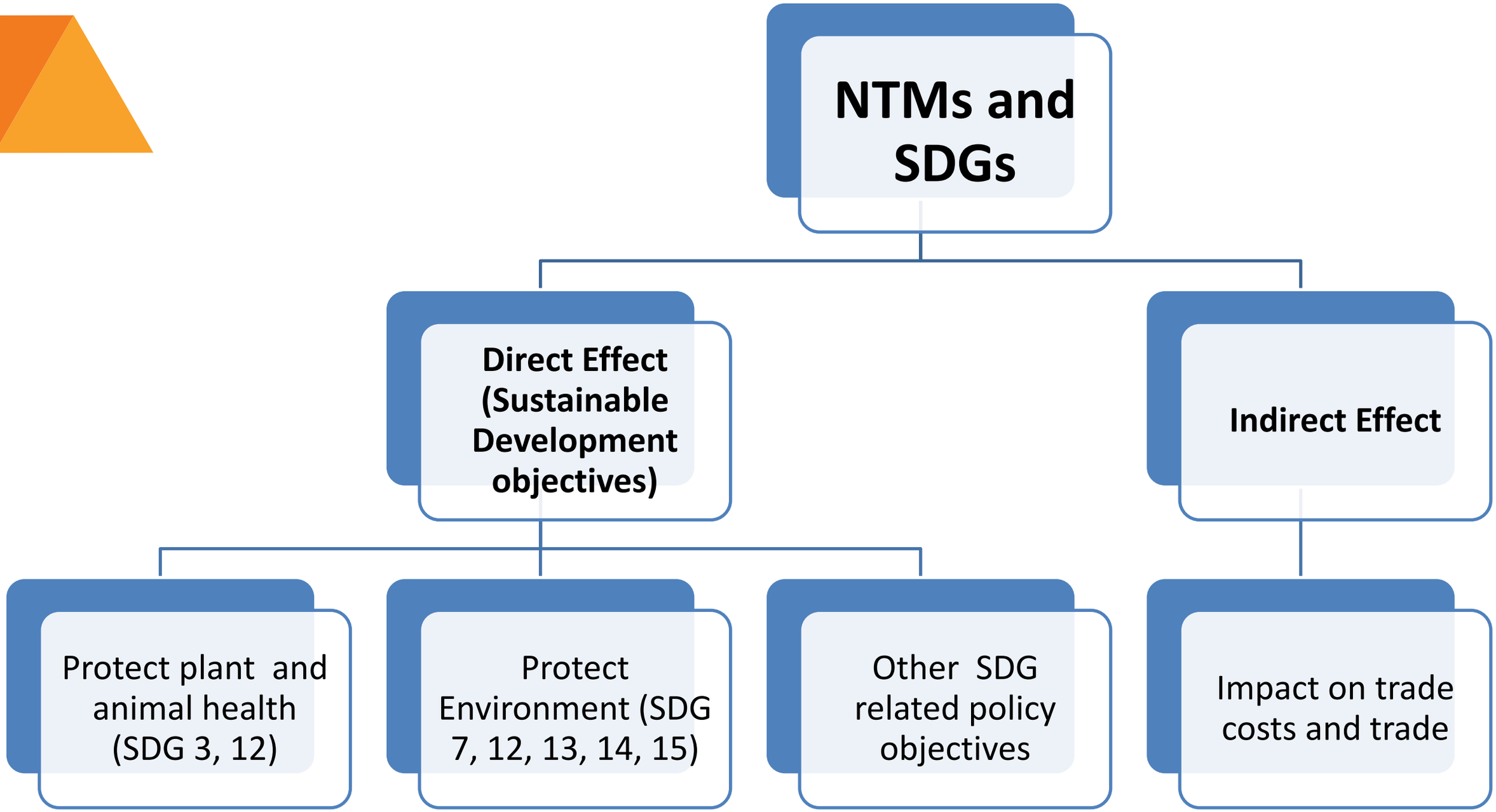

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Current SDG monitoring framework is inadequate to capture the full impact of NTMs on SDGs

- Most of the measurable trade related targets and indicators focus on market access (share of exports) and tariff
- Limited number of concrete indicators on NTMs
- Fails to take on board the improved data availability on NTMs
- NTMs could play greater role than tariffs in the achievement of even trade related SDG targets

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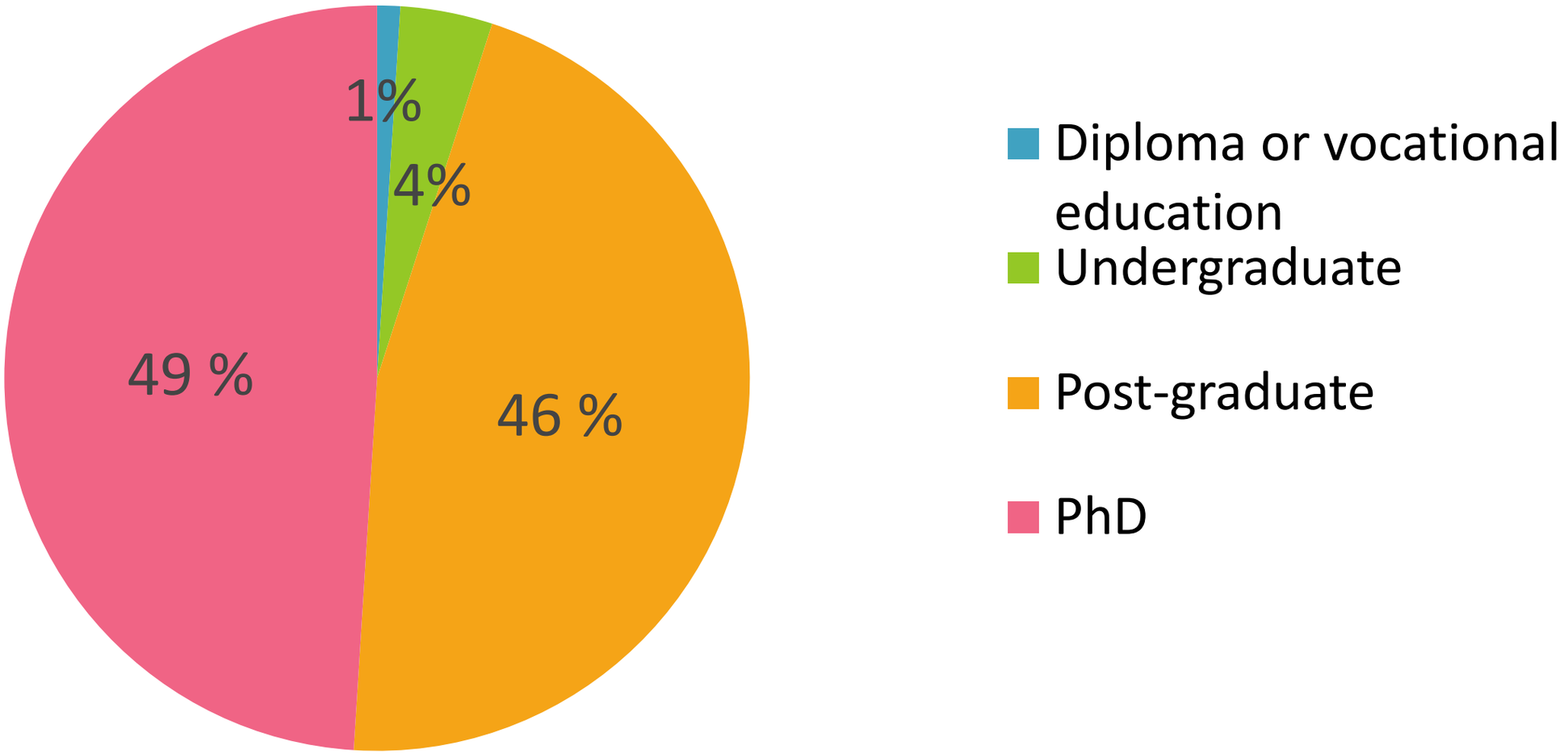
Results of the ARTNeT Survey

ARTNeT Survey

- Survey on 'Setting the future research agenda on NTMs’
- Circulated among ARTNeT members
- Received 102 responses

Education Level



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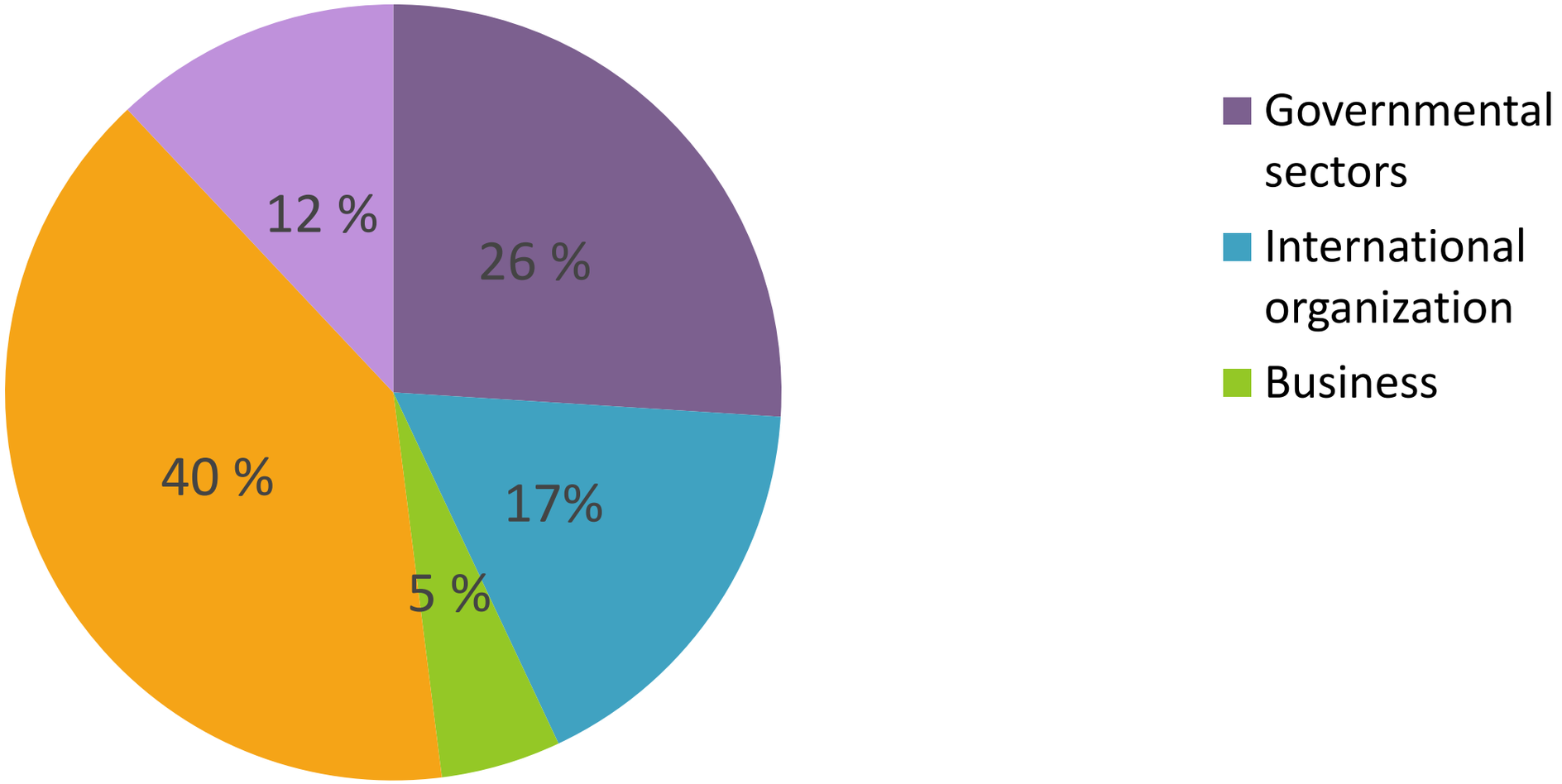
Affiliation



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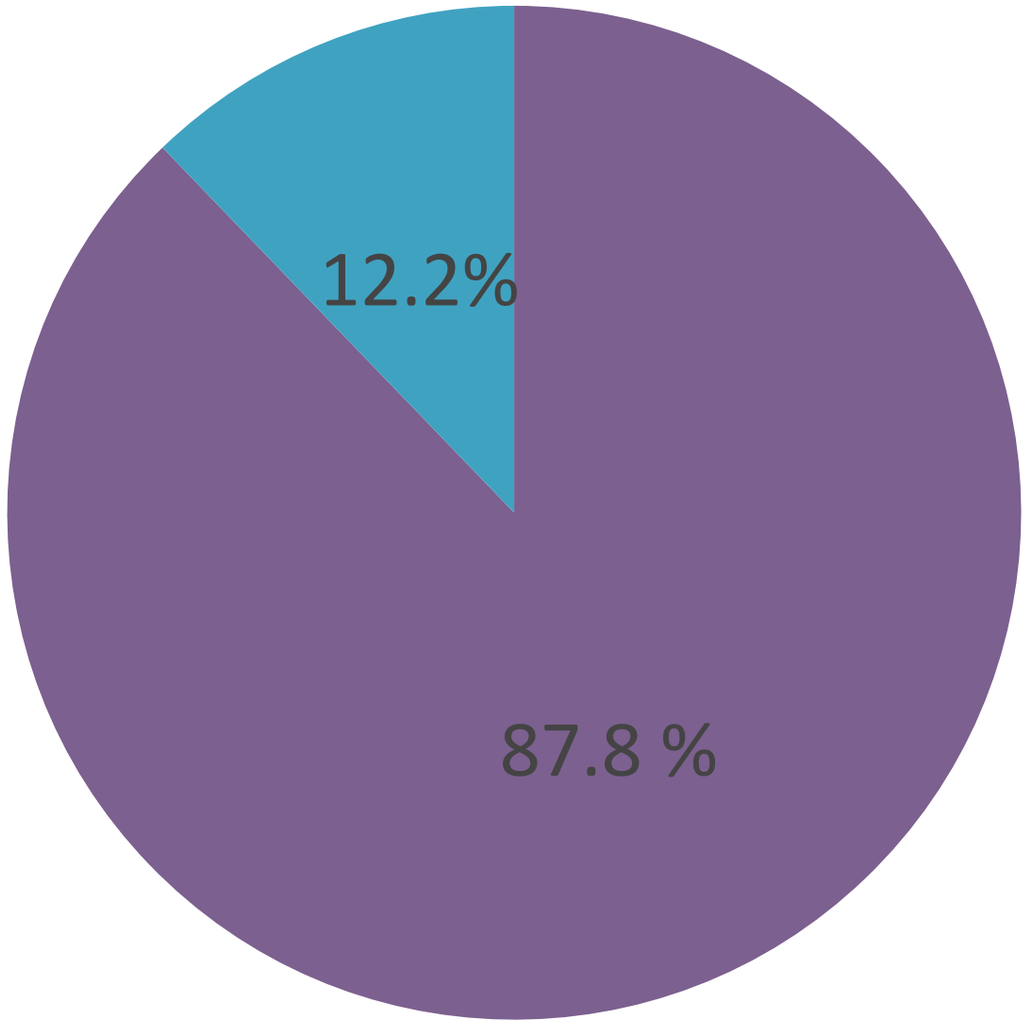
NTMs will have significant impact on Sustainable Development and SDGs, however, the targets and current indicators of the SDGs do not capture the full extent of this impact. In this context, do you think it is a good idea to build a composite impact index of NTMs on SDGs?



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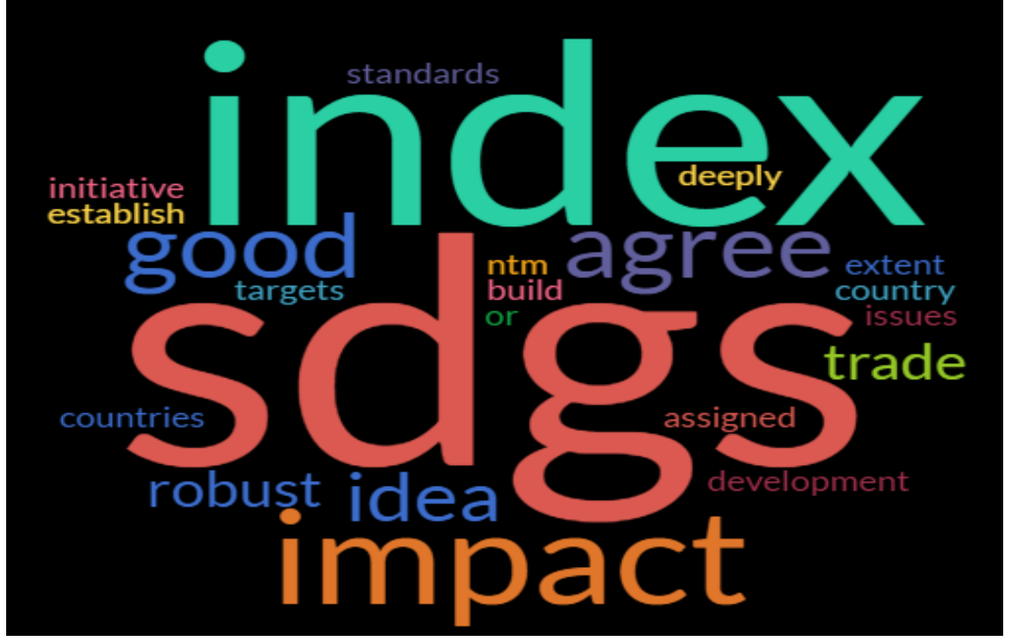
Specific Comments on the NTM Impact Index



- Several positive comments on its usefulness and need
- Caveats raised :
  - Doubts on feasibility of an index (subjective nature of impact of NTMs, it will be challenging if we proceed NTMs chapter by chapter)
  - Need to think of indicators before coming with index
  - Composite indices can be misleading and can hide heterogeneity of impacts of specific NTM
  - Is the index comparable across sectors? countries?

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Development Account Project on “Statistics and Data”

UN Development Account (DA 10) project on Statistics and Data

Programme Objective: To strengthen the statistical capacity of developing countries to measure, monitor and report on the sustainable development goals in an accurate, reliable and timely manner for evidence-based policymaking.

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Four Pillars of the Project

1. Means of Implementation

2. Environment Statistics

3. Social & Demographic Statistics

4. Economic Pillar

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Economic Pillar of the project

Implementing Entities : ESCAP and UNCTAD

Budget : 150, 000 US$

Time frame : 2017-19

Objective : Develop an indicator framework (or an aggregate index) to measure impact of NTMs on SDGs

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Key Activities

- A regional capacity building programme on NTMs (completed)
- Expert group meeting to discuss methodology for creating an impact-index of NTMs (May, 2017)
- Develop the methodology (2017)
- Select three pilot countries in the region, collect data for index within the countries and compile the index (2017)
- Training workshops on construction and usage of index (2018)
- An online training course on the construction and usage of index (2018/19)
- Regional workshop to discuss the application of the impact-index of NTMs and discuss way forward (2019)

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Preliminary thoughts and methodological approaches

Three Categories of Potential Indicators

Indicators already in SDG Framework

- Example : Indicator 2.b.2. Agricultural export subsidies

Newly created, but directly related to existing SDG targets/indicators

- Example : Number of countries ratifying CITES(linked directly to SDG target 15.7)
- Share of exports exposed to NTMs (SDG target 17.11)

Newly created, but indirectly related to SDGs

- Related to broader SDG objectives
- Example : regulatory convergence (target 17.11)

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Approach to indicator construction 1: Measure Compliance with international standards (such as Codex Alimentarius, OIE, and IPPC)

RATIONALE : International standards are the best available reference point for regulations that strike the balance between minimizing trade restrictiveness while maintaining substantial protection of human, animal plant health as well as the environment

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Methodology

M1. Statistical approach to measure the convergence of countries' NTMs towards international standards with respect to the **type** of requirement

- Can be widely applied to products and countries, as per data availability
- Additional data collection on international standards is required on top of existing NTMs country data.

M2. In-depth assessment of the share of regulations that are based on international standards

o Qualitative and detailed assessment of countries' relevant regulations in comparison to international standards

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Methodology continued

o Could be reduced to a simple three-tier categorization of "equal to international standard", "less stringent than international standard", "more stringent than international standard".

o Additional data collection from pilot countries and international standards is required.

- Both approaches need to be applied at the product level
  - For each SDG provide a tentative list of HS codes can be identified and let countries choose the locally relevant product list

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Approach to indicator construction 2: Assess country's membership in international agreements, treaties and protocols that affect trade and the social and environmental development

- Some SDG indicators explicitly or implicitly suggest the membership of international agreements as showed in "12.4.1. Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals […]" and "15.7.1 Proportion of traded wildlife that was poached or illicitly trafficked"

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Approach to indicator construction 3: Estimate ad-valorem equivalents (AVE) of NTMs

- AVE estimates only assess partially the economic costs and restrictiveness of NTMs
- Current estimation techniques of AVEs require extensive data and deliver average impacts with a potentially important divergence from specific cases
- AVEs do not assess benefits of regulatory measures and NTM.
- A product specific approach may also be taken to assess the level of trade restrictiveness that applies to products that are crucial for sustainable development

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Approach to indicator construction 4: Exposure of exports to NTMs

- Look at export basket of developing countries and LDCs
- Measure how much of their exports are exposed to NTMs in the main export markets
- Regulatory convergence between the domestic market and export market could be a potential weighting mechanism of this measure of exposure.

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Pointers for discussion

- Other methodological approaches to construct indicators ?
- Suggestions on types of indicators or sub-indicators ?
- Can or should these indicators be aggregated into some kind of an NTM impact index at the SDG level ? Challenges and how to overcome them ?
- Issues that could arise at the country level data collection. How to address them ?

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Thank you

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