Third South Asia Forum on Sustainable Development Goals

Session 7: South Asian perspectives on accelerating progress towards the SDGs and sustainable graduation

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• Three out of four LDCs of South Asia are in the process of graduation from LDC status.
  ➢ Bangladesh - Fulfilled eligibility criteria for the first time in 2018. Likely to graduate in 2021.
  ➢ Bhutan – Scheduled to graduate in 2023
  ➢ Nepal - Committee for Development Policy (CDP) decision deferred to 2021

• ESCAP-SSWA has been providing tailor-made capacity-building and policy advisories to these LDCs for sustainable graduation.
  ➢ To identify development priorities and particular development challenges of by reviewing progress of these countries in implementing the VNRs as well as Istanbul Programme of Action (IPoA).
  ➢ Impact on existing flexibilities and other special treatment at the WTO and RTAs, and
  ➢ Identify future capacity building needs for effective and smooth transition to graduate from LDC.

• Bangladesh: CCA inputs delivered in October 2019; engaged in the CCA development

• Bhutan: UNDAF (2019-23) signed; coordinating with UNRC
Activities of ESCAP-SSWA in 2019

• Three subregional workshops on ‘SDGs and Sustainable Graduation’ were organised which were participated by the participants from Bangladesh, Bhutan and Nepal (Government, private sector and researchers):
  - Dhaka, Bangladesh – 28 – 30 April 2019
  - Thimphu, Bhutan – 1-2 October 2019
  - Kathmandu, Nepal – 14-15 October 2019

• Two tailor made capacity building workshops were organised for Bangladesh officials:
  - Delhi and Bangkok – 20-25 June 2019
  - Bangkok – 23-27 September 2019

• Workshop on ‘Supporting SDG Achievement through Building Analytical Capacity in South Asian LDCs’ for Afghanistan and Bhutan in New Delhi during 18-22 November 2019; is being followed up with a mission in Bhutan on 23 December 2019.
Challenges of graduation

- Vulnerability to economic and climate shocks
- Dependence on imports of food and energy
- Dependence on primary commodities, market access
- High levels of debt
- Intellectual Property Protection
- Institutional capacity
LDC graduation: Trade is a major concern

- Preferential schemes (DFQF) and trade related technical assistance have been important instruments for market access of LDCs. Post-graduation, LDCs stand to lose access/eligibility for a several LDC specific concessions and S&DTs under WTO and RTAs/PTAs that they are party to.

- **WTO**
  - Preferential market access – DFQF under GSP
  - Exemptions from some rules and disciplines – Subsidies, Services Waiver
  - Longer transition periods for certain provisions and commitments – TRIPS, TRIMS, TFA
  - Priority access to technical assistance programmes
  - Financial assistance for trade capacity-building (EIF)

- **RTAs**
  - Preferential market access for LDCs
  - Long tariff liberalization time
  - Bigger size of sensitive/negative list
  - Extra items liberalized by other trade partners for LDCs
  - Relaxed rules of origin
  - Technical assistance

- Challenges from new technologies: AI, robotics – loss of jobs
Challenges for graduation

- Capacity limitations in undertaking domestic reforms for strengthening productive capacities to cover for loss of preferential market access and LDC specific S&DT provisions in WTO and RTAs
- Lack of sufficient trade negotiation skills
- Institutional capacity building (accreditation, standardization)
- Lack of expertise and resource constrains for market/product diversification
- Lack of expertise and resource constrains to address trade facilitation requirements
- Sectoral issues of falling agricultural productivity
- Skill-mismatches and deficits in the labor market
- Low profitability of small-scale manufacturers and exporters
- Insufficient investments in skill-development and R&D
- Investment gaps in infrastructure
- Low level of financial inclusion
- High capital borrowing costs and limitations of resource mobilization
- Lack of entrepreneurial skills, lack of national level brand-building
- Industrial pollution and environmental concerns
- Possible reductions in ODA from bilateral and multilateral donors
- Other LDC-specific support (UN budget, travel benefits etc.)
Technical Assistance Requirements: Research

• Impact assessment – sectoral level
• Trade prospects analyses, including scope for product and market diversification
• Feasibility studies on prospects for enhancing value-addition and participation in GVCs
• Institutional capacity gap analysis for private and public sectors
• Impact of new technologies on employment generation
• Ways to strengthen market access through south-south cooperation including negotiations in WTO and RTAs
• Comprehensive studies on regulatory requirements to address challenges of graduation
Technical Assistance Requirements: Policy Advisory

- Policy options for sustain access to EU market through GSP+ or other alternative preference schemes
- Areas and priorities for RTA/FTA negotiations
- Measures to improve export competitiveness
- Measures to improve data and statistical capacity
- Measures to improve environmental sustainability
- Strategies to vocational training to keep up with the rapid advancements in technology and with the future of job opportunities
Technical Assistance Requirements: Training

- Trade negotiations skills for multilateral and FTA/RTA negotiations
- Capacity-building workshops for officials on graduation challenges and coping strategies
- Knowledge sharing with other graduating LDCs
- Workshops for private sector on export prospects, compliance, upgradation, product diversification and value-addition
- Training on statistical and data-analysis capacities as well as knowledge and training on modelling and policy analysis tools.
- Training on industrial skill, certification, entrepreneurship development and management
Gender empowerment and equality

• E-Commerce Capacity Building for Women-led SMEs in South Asia (June 2019 – July 2022) for target countries: Afghanistan, Bangladesh, Bhutan and Nepal.

• National inception workshops:
  ➢ Nepal – 11-12 September 2019
  ➢ Bangladesh – 11 December 2019
  ➢ Bhutan – January/February 2020
  ➢ Afghanistan – January/February 2020

• Aiming for around 500-700 women entrepreneurs at micro, small and medium scale from goods and services to benefit from this project (2020-2021).
Future work of ESCAP-SSWA

Enhanced capacity of South Asian LDCs to accelerate SDGs implementation and sustainable graduation from LDC status

- Continue to provide technical assistance and policy advisories on the basis of need assessment done
- Support how LDCs as a group can negotiate better transition arrangements
- Assist in continuing with the S&D provisions in RTAs and other agreements
- Assist LDC group of South Asia in preparing their VNRs and exchange of best practices
Thank you