

Implementing the 2030 Agenda in the face of new challenges

The Way Forward for South Asian Countries

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Criticality of SDGs for South Asia

- Despite their economic dynamism and remarkable MDG achievements, South Asian countries account for 36% of the world's poor and 50% of malnourished children, among other deprivations
- The Agenda 2030 on Sustainable Development, comprising 17 Sustainable Development Goals (SDGs) and 169 targets, is especially relevant for South Asia
- The world also has high stake in South Asia's achievement

The agenda is indeed ambitious

- Elimination of extreme poverty
- Universal access to education, health care, social protection
- Closing gaps in access to basic amenities such as drinking water and sanitation, modern energy
- Infrastructure, industrialization, jobs, innovation, and sustained economic growth
- Sustainable consumption and production

And will need huge resources

- **Finance**
 - 10-20% of GDP for meeting the social agenda
 - Around US\$ 5 trillion for closing the infrastructure gaps
 - Implementing the NDCs will require substantial resources
 - US\$ 2.5 trillion for India alone
- Access to environmentally sound **technology** on easy terms
- **Market access**
- **Capacity-building**

Premised on a renewed global partnership for development

SDG-17. Means of Implementation and revitalize
global partnership for sustainable development

- Finance
- Technology
- Capacity-building
- Trade
- Systemic Issues
- Data, monitoring and accountability



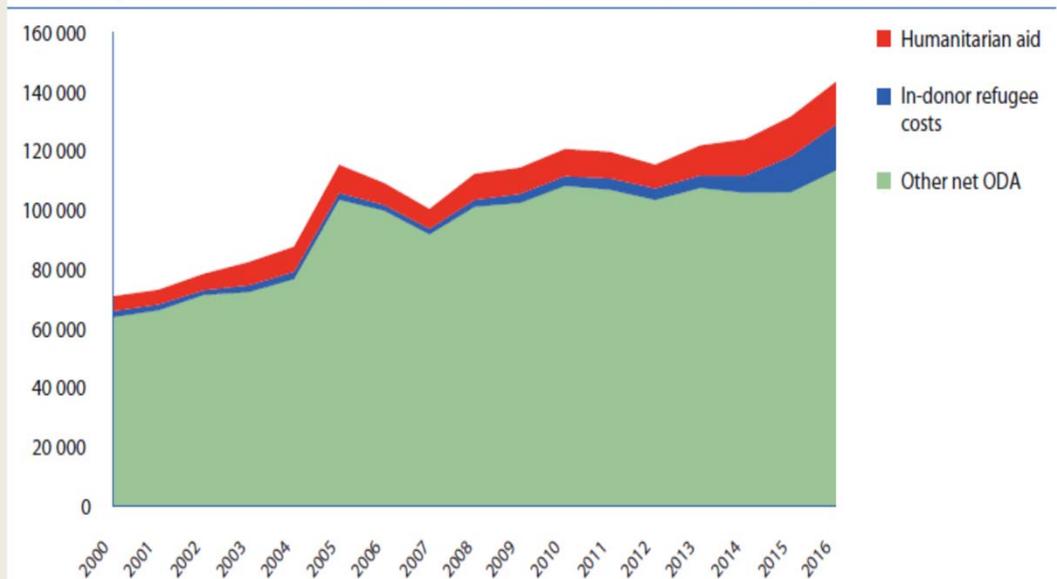
However, outlook for partnership is clouded by emerging challenges

- New normal of subdued growth of world economy and trade
- Rise of protectionism and trade wars
- Retreat of multilateralism
 - Multilateral trade negotiations stuck
- Widening inequalities between and within countries as hyper globalization helps largest enterprises

Emerging challenges contd.

- Aid fatigue: elusive quest for 0.7% target for ODA
- FDI inflows remain concentrated as MNCs pick winners
- Portfolio flows remain highly volatile
- Growing risks to global stability

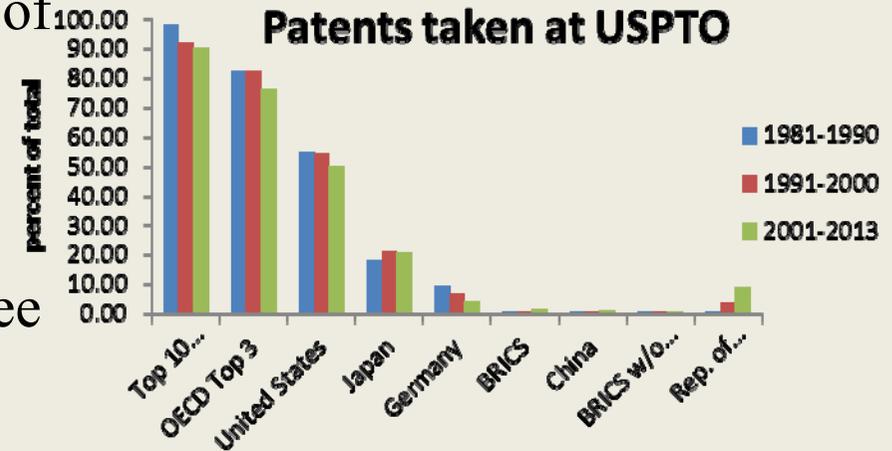
Net ODA by DAC donors, 2000–2015 (Billions of United States dollars, 2014 constant)



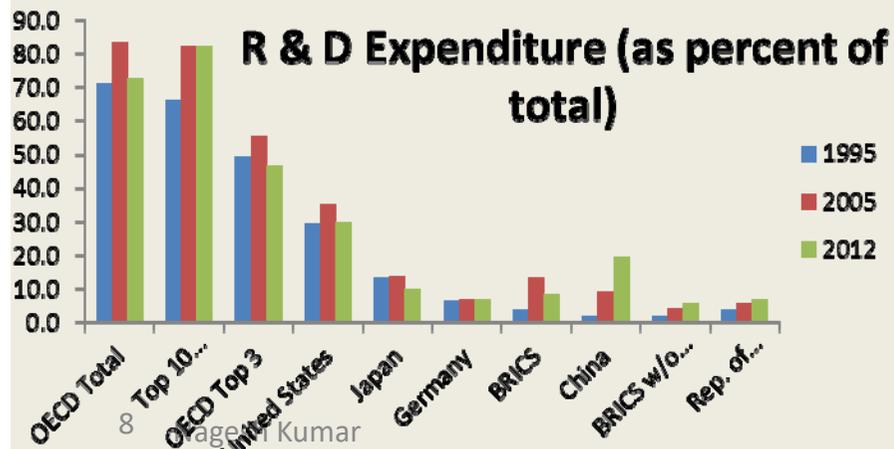
Source: OECD/DAC data.

Emerging challenges contd.

- **Access to technology** a major concern for implementing SDGs in the context of high concentration of technology generation activity
- The pattern of concentration has changed only slightly over the past three decades
- Access to environmentally sensitive technologies will be critical for implementing SDGs



Geography of Innovation



Emerging challenges contd.

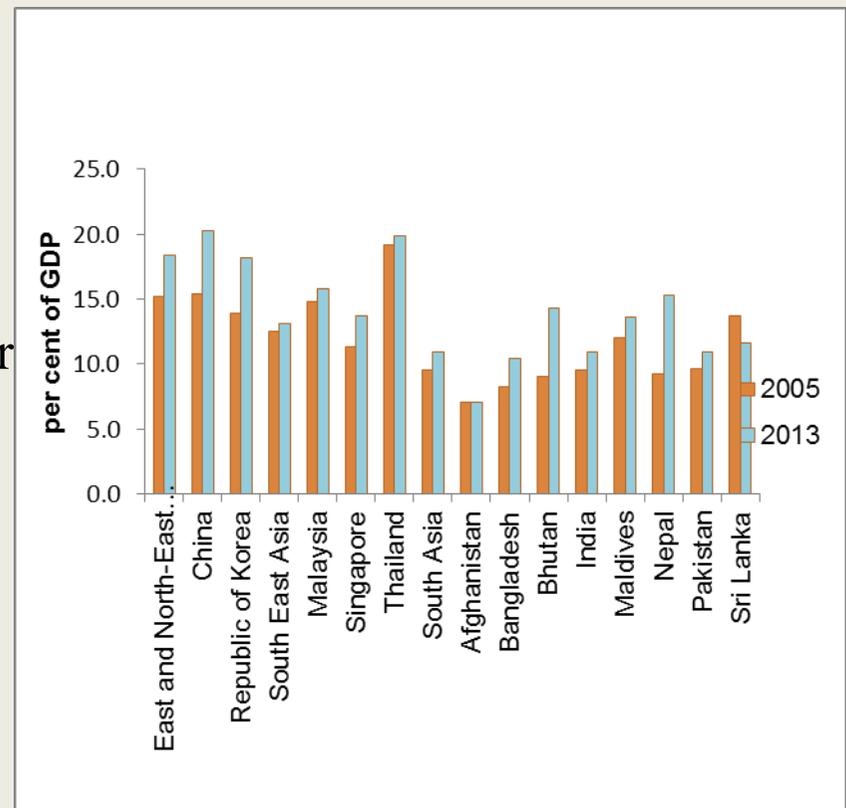
- New technological revolution: artificial intelligence, internet of things, blockchain et al
 - Changing world of work
 - Reshoring of production??

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- **External environment turned less benign than at the turn of the century**

Way forward for augmenting financial resources

- **Expanding fiscal space**
 - Low tax to GDP ratios in South Asia
 - Tax potential, expanding the tax base, efficiency of tax collection etc.
 - Innovative taxes
 - Enhancing efficiency of public expenditure
 - Direct benefit transfers
- **Mobilizing private investments and PPPs**
 - Improving investment climate for domestic and foreign investments
 - Development and deepening of capital markets
 - Harnessing the public private partnerships
 - Importance of national development banks
 - Leveraging corporate social responsibility



Exploring new avenues for global and regional cooperation

- International tax cooperation
 - Curb illicit financial flows and transfer price manipulation
- Innovative Sources of Revenue: International financial transaction tax
- Development of regional financial architecture
 - New multilateral development banks (NDB and AIIB) increase options for the subregion
 - Scope for more such institutions
 - Also for tapping private savings
 - SAARC Development Fund: whether a Development Bank be more effective?

Exploring new avenues for global and regional cooperation contd.

- Development of regional capital markets and cross-border listings
- Harnessing the potential of South-South Cooperation
 - Need to ensure that SSC is not based on templates of N-S cooperation
- Fostering Regional Economic Integration
- Exploiting the full potential of South-South Cooperation

Exploring new avenues for global and regional cooperation contd.

- Enhancing indigenous absorptive and innovative capacity
- Pooling of resources for joint solutions for shared challenges
- Harnessing frugal engineering capabilities for developing low-carbon affordable products and processes
- For easy access to technologies by developing countries
 - Moratorium on further strengthening of IPRs
 - Extending public health waver to ESTs
 - Granting flexibility to developing countries in implementing TRIPs
 - Differential pricing for technology licensing
 - Strengthening TRIPs provisions (art 66.2) for transfer of technology including environmental technologies for developing and least developed countries

Concluding remarks

- Implementation of the 2030 Agenda requires huge resources that were premised on a renewed global partnership
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- However, the external environment has turned less benign threatening the spirit of equitable partnership
- Developing countries need to exploit the potential of domestic resource mobilization, PPPs and CSR, skills development, local innovative capacity and frugal engineering
- New and innovative resources and stronger global and regional partnerships for finance and technology would be critical for achieving the SDGs
- Regional and South-South Cooperation to play a greater role

Thank you

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