

## Sustainable Economic Development



### 1. An Efficiency-based Regional Approach to Realise Sustainable Development Goals (SDGs)

Partner: Australian National University

The Sustainable Development Goals (SDGs) are a global commitment to inclusive and sustainable development. As one of the most successful regional organisations, ASEAN and its member countries have played an important role in the UN2030 agenda for Sustainable Development, which has been greatly influenced by ASEAN's community building process. Thailand as the focal point for sustainable

development within ASEAN has identified five priority areas – (i) Poverty Reduction, (ii) Infrastructure and Connectivity, (iii) Natural Resource Management, (iv) Sustainable Consumption and Production, and (v) Resilience Capacity.

The key questions are: Does the 2030 Agenda deal with the results of the ASEAN community vision, i.e. does it represent real change on the ground? Can these changes be linked to economic cooperation? Is there synergy in objectives? Will ASEAN community progress yield the results information we need for five complementarity areas? This study will look into regional dimension of achieving the 2030

agenda as an efficiency-based approach to realising the SDGs.

Three main propositions are elaborated in the study. First, translating the SDGs into regional economic integration strategies can enhance the link between global objectives and the multifaceted reality of an ASEAN community, enhancing policy coherence and providing a strategic option to strengthen ASEAN's bargaining power. Second, a regional approach on complementarities to SDGs can facilitate the definition of relevant targets/indicators and enhance the monitoring and evaluation framework. In doing so, it could also offer scope for integrating more closely ASEAN communities' social and environmental concerns into existing economic and political frameworks. Third, focusing just on the geo-economic sphere – the area where ASEAN's integration is relatively more advanced – will prove the hypothesis that effective regional integration through such initiatives as RCEP can support Asia's transformation agenda and foster more inclusive and sustainable growth.

*Geographic scope: EAS Countries*

## **2. Innovations and Experiences in Financing Disaster Risk Reduction and Climate Change**

Partner: Asian Disaster Risk Centre

With so many international policy debates such as the Sendai Framework, climate change, and development financing converging on resilience, there is a unique opportunity to ensure that disaster risk reduction (DRR) becomes a truly fundamental component of inclusive and sustainable economic

growth. The international financing of DRR, which represents the global community's support for ASEAN governments in their efforts to protect development gains from disasters, is coming under increasing scrutiny. There are positive areas to build upon. ERIA has developed business continuity plans for reducing the vulnerability of global value chains against natural disasters and country-specific adaptation road maps for achieving food security. However, the relationship between funding needs to implement these plans and other regional cooperation efforts such as the ASEAN Agreement on Disaster Management and Emergency Response (AADMER), represented by the risks a country faces or the exposure of its assets, is crucial to move forward. The implementation decisions cannot be made without a full understanding of how much institutional and financial capacity a national government has to manage the risks associated with disasters either natural, economic, or climate induced.

This study examines the experiences of and innovations needed by the AMS in financing integrated Disaster Risk Reduction Strategies. It will investigate the priorities in financing of DRR from the perspective of adaptation road maps for food security and resilience of value chains, by asking questions about the equity and adequacy of past efforts. More questions also need to be asked about the role of the public and private sectors as well as international financing and the institutional architecture needed for AADMER.



### 3. Integrated Space-based/Geospatial System to strengthen the Resilience and Connectivity of ASEAN

Partner: The University of Tokyo

In recent decades, regional organisations have become increasingly active in connectivity disasters. This reflects a broader, growing trend of intensifying regional cooperation for building resilient communities. However, the potentials of space and geospatial technology and their role in sustainable development and strengthening resilience is not clear. They can improve the efficiency and resilience of industrial operations and effectively address issues in the regional economic integration of ASEAN. This report examines the possibilities and models of transborder mechanisms to deliver geospatial and space-based information from data providers to end users in disaster-affected areas, and financial schemes involving the private sector or public-private partnerships to enable the collaborative integration of the technologies in practical ways. It provides vital information about what combinations of technologies have been applied and how they have contributed to the resilience of urban development, infrastructure planning and management, transportation management, and agricultural operations.

*Geographic scope: ASEAN*

### 4. Measuring the Readiness of Industry 4.0 for Circular Economy

The concepts of industry 4.0 and circular economy have recently gained traction in East Asia Summit (EAS) policymaking as a positive, solution-based perspective for achieving resource-efficient industrial development using the next generation of technologies. Current academic, industrial, and policy debates set out a large number of initiatives to be included under the action plan of maximising the use of resources available within the economy. They also indicate that the transition to Industry 4.0 and circular economy requires fundamental changes in many different areas of the economic system. Although it is a difficult and complex process, several crucial areas of change can be identified in technology, engineering, economic, and social domains. This study addresses the interface between Industry 4.0 and circular economy, whether the integration of both would unleash new gains in productivity and efficiency, and how far the experiences gained in other parts of the world could be transferred to the ASEAN region, providing respective recommendations and conclusions. The main objective is to prepare a self-assessment framework consisting of fairly robust indicators for measuring the readiness of EAS economies for industry 4.0 and circular economy.

*Geographic scope: ASEAN*

## 5. Reducing the Vulnerability of Disasters and Achieving Food Security

Partner: Asian Institute of Technology

Why is ASEAN not investing more in disaster resilience, especially given the prevalence and rising costs of disaster events? This may be due to the fact that decision-makers in governments, businesses, and households tend to focus on avoiding losses from disasters, and perceive the return on investment as uncertain – only realised if a somewhat unlikely disaster event actually happens. Effective policy actions require sector-specific damage and loss data for agriculture and trade ministries. AMS' national strategies on disaster risk reduction and climate change adaptation which support resilience must address the types of disasters with the greatest impact on the agricultural sector. Governments must design measures specific to the crop, livestock, and fisheries subsectors, and be enabled to adopt more systematic strategies that counteract the impacts of disasters on agricultural sectoral growth and development, and on national and regional food security.

Nevertheless, there should be business rationales for climate change adaptation and disaster risk management based on the multiple dividends of resilience. Actions should look beyond avoiding losses (the first dividend) to wider benefits to be gained independently of whether or not the disaster occurs. These include unleashing entrepreneurial activities and productive investments by lowering the looming threat of losses from climate change and enabling farmers and supply chain actors to take positive risks (the second dividend); and co-benefits of resilience measures (the third dividend), such as flood embankments that double as roads, or drought tolerant crop varieties that maximise crop yields. The no-regret adaption strategies should also reflect recent efforts to build a stronger business case for resilience in the private sector including the insurance sector. The main objectives of this study are (i) to understand key food security challenges posed by disasters and climate change and the required actions taken by policymakers to address these risks; (ii) to share experiences on adjustment of key planning instruments relating to agriculture sectors; (iii) to exchange experiences on successful adaptation measures across key vulnerable areas; and (iv) to undertake cost-benefit analysis and identify necessary structural and non-structural measures that could contribute to a resilient ASEAN.

*Geographic scope: Cambodia, Lao PDR, Myanmar, Viet Nam*

