

Brussels Report on Strengthening Asia-Europe Connectivity

Drawing Synergy from Global Development and Governance Programmes

Editor: Anita Prakash





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# MESSAGE

t gives me great pleasure to introduce the 'Brussels Report on Strengthening Asia-Europe Connectivity: Drawing Synergy from Global Development and Governance Programmes'.

The European Union is the host of 12th Asia Europe Meeting (ASEM) Summit in Brussels, Belgium, on 18–19 October 2018. The theme of 12th ASEM Summit is 'Asia and Europe: Global Partners for Global Challenges'. Leaders and senior officials of all 51 member countries and the two institutional partners, the European Union and the Association for South East Asian Nations, will converge in Brussels to take stock of Asia–Europe cooperation and the role of Asia–Europe connectivity mechanisms in realising the core objectives of cooperation and connectivity in ASEM.

Building on its achievements of the past 22 years, ASEM is now poised to put its combined strength behind global development goals and global governance mechanisms. In 2018, partnerships amongst regions and countries with common objectives have become more important than ever. ASEM connectivity mechanisms are the most visible face of ASEM. Therefore, the Brussels Summit is an opportunity for Asia and Europe to strengthen ASEM connectivity by converging ASEM's activities towards global development objectives and global governance mechanisms.

I believe that the 'Brussels Report on Strengthening ASEM Connectivity' will bring out the achievements and future opportunities for the Asia and Europe partnership in addressing the global challenges substantively, and in setting out the roadmap for ASEM connectivity for the next decade. I expect that the Brussels Report will contribute to the productive discussions and valuable decisions made by this Summit, and that it will greatly contribute to enhancing connectivity between Asia and Europe.

I congratulate ERIA on bringing out this timely assessment of the contribution of Asia and Europe to global development objectives and global governance, and thank them for their continuous support of ASEM's connectivity activities. I believe that the 'Brussels Report on Strengthening Asia Europe Connectivity' will be a key document for this Summit and that it will provide guidance for ASEM's connectivity activities well beyond 2018.

**Gunnar Wiegand** Managing Director of the Asia Pacific Department European External Action Service

# FOREWORD

The Economic Research Institute for ASEAN and East Asia (ERIA) is very pleased to present the Brussels Report on Strengthening ASEM Connectivity: Drawing Synergy from Development Programmes and Global Governance to the Leaders of the Asia–Europe Meeting (ASEM), who are assembled in Brussels for the 12th ASEM Summit on 18–19 October 2018.

ERIA was a forerunner of connectivity-related studies in the ASEAN region. It has worked very closely with ASEAN and the East Asia Summit to develop the concept of holistic connectivity, which takes into account the physical, institutional, and people's aspects of connectivity in a community or region. Our connectivity-related research is also helping closer economic cooperation between Asia and Africa, and Asia and Europe.

It gives me great pleasure to share this expertise, through this report, with the wider ASEM community. The Brussels Report has brought out a new paradigm of connectivity in which ASEM connectivity mechanisms are interlinked with sustainable development programmes and global governance mechanisms. We hope that this book will help the ASEM Leaders prepare the road map for ASEM Connectivity beyond 2018.

After 22 years of existence, there is every reason for ASEM to strengthen the group's efforts in bringing the people of Asia and Europe closer together, and to integrate the two regions as deeply as possible. To help achieve this, ERIA will remain committed to providing all possible support and expertise that may be required to make ASEM a more responsive and creative platform for connectivity between Asia and Europe.

I believe that this book will contribute to the success of the 12th ASEM Summit in Brussels.

Rishimuja

**Hidetoshi Nishimura** President Economic Research Institute for ASEAN and East Asia

# PREFACE

Connectivity is the most visible face of the Asia-Europe Meeting (ASEM). ASEM is a multilateral platform linking Asia and Europe for cooperation in broad-ranging areas – economic, political, and people – and ASEM connectivity provides the mechanisms for such cooperation. Through connectivity, ASEM can strengthen its ability to address global challenges and deliver local results.

The 12th ASEM Summit in Brussels is meeting under the theme of 'Global Partners for Global Challenges'. A freshly energised and revamped ASEM connectivity mechanism will address the theme's issues before ASEM's formal and informal stakeholders. The *Brussels Report on Strengthening ASEM Connectivity: Drawing Synergy from Development Programmes and Global Governance* is a contribution to the 12th ASEM Summit for enabling ASEM and its connectivity mechanisms to establish linkages with the objectives of global development programmes and to support the global governance mechanisms that add value to ASEM's vision of connectivity. In doing so, ASEM connectivity can strengthen itself.

The Brussels Report fulfils the theme of the Brussels Summit and builds on the ASEM connectivity vision laid out in the Asia-Europe Connectivity Vision 2025: Challenges and Opportunities, presented at the 11th ASEM Summit in 2016. It provides the interlinkages that will support ASEM in placing its strength behind global programmes and partnerships.

When the European Union started the preparations for the 12th ASEM Summit, I was inducted into its preparatory activities. The *Brussels Report on Strengthening ASEM Connectivity* is preceded by two important contributions on ASEM Connectivity – the ASEM Monitor of Sustainable Connectivity and the ASEM Connectivity Inventory.

I am grateful to Steven Everts, European Union Alternate Senior Official for ASEM, for his tireless leadership and guidance in preparing the ASEM connectivity reports. His early support for the theme of the *Brussels Report* helped me immensely in finalising the report. I am also thankful to Fedja Zlobec, Policy Officer for ASEM Development and Cooperation, for his continued inputs to my work on ASEM connectivity during this year. I greatly value the leadership of Gunnar Wiegand, Managing Director of the Asia Pacific Department at the European External Action Service, for ensuring Asia's enhanced participation in the groundwork for the 12th ASEM Summit. I would like to thank Dr Leeber Leebouapao and Dr Fauziah Zen for co-writing their respective chapters. I am especially thankful to Diana-Larisa Zahorte for co-writing the chapter on the 2030 Agenda. Drawing on her experience in the European External Action Service helped me to bring out the European perspective in all the chapters.

The *Brussels Report* lays out the roadmap for ASEM connectivity beyond 2018 and recommends ASEM to forge stronger interlinkages with other multilateral partners. It makes ASEM connectivity visible and determinate.

#### Anita Prakash

Director General, Policy Department Economic Research Institute for ASEAN and East Asia

Jakarta September 2018

# **EXECUTIVE SUMMARY**

A the 12th Asia-Europe Meeting (ASEM) Summit in Brussels during 18–19 October 2018, ASEM leaders will meet under the theme of 'Asia and Europe: Global Partners for Global Challenges' to chart ASEM's common response to global issues. The *Brussels Report on Strengthening ASEM Connectivity* assesses the drivers for deepening ASEM connectivity and effectively using ASEM's connectivity mechanisms for delivering results for global development programmes. ASEM has chosen to place the strength of its mechanisms behind supporting its member countries and global institutions alike to make progress towards the Sustainable Development Goals (SDGs) and create conditions where the benefits of development can be shared by all. The combined strength of ASEM will be important for the global community to respond effectively to global challenges.

Through this process, ASEM connectivity will be raised to a larger purpose that transcends the borders of Asia and Europe. An assessment of Asia and Europe's contribution to global development programmes, such as the 2030 Agenda, the Paris Agreement, and the Sendai Framework for Disaster Risk Reduction, suggests that ASEM connectivity mechanisms and their outcomes can contribute richly towards realising the objectives of the programmes.

ASEM's connectivity mechanisms have a strong knowledge and capacity sharing base, which should be used for ensuring progress and accountability for the SDGs in Asia and Europe. ASEM's connectivity initiatives can also be used to support uniform data reporting and analysis of the progress towards the 2030 SDGs in ASEM countries. An ASEM report on Asia-Europe cooperation for the global development programmes will be ASEM's contribution to the SDGs and global governance.

ASEM's Danube-Mekong Cooperation Initiative is a concrete example of ASEM connectivity working for sustainable development issues, and its outcomes should be shared with multilateral agencies. ASEM cooperation is also exemplified in the Da Nang Outcomes, which lay out pathways for ASEM for the implementation and monitoring of the Sendai Framework goals, the SDGs, and the Paris Agreement. The *Brussels Report* provides details on how ASEM's connectivity activities can converge with the objectives of global development programmes and how the outcomes can be shared with intergovernmental organisations and subsidiary bodies in charge of monitoring the programmes and supporting capacity-building.

Asia-Europe connectivity stands reinforced and strengthened by effective multilateralism and a rules-based international order. ASEM's strength must reinforce the mandate and workings of multilateral institutions and governance mechanisms for trade, financial stability, and economic growth. As Asia and Europe work together to contribute to the solutions to global challenges, taking ASEM's voice to multilateral bodies, such as the World Trade Organization and the Group of Twenty, will be important for all ASEM members. The global and interconnected character of the global challenges calls for effective partnerships among countries, regions, and regional institutions. Asia and Europe can create institutional connectivity among their multilateral institutions and also jointly represent their concerns in global and regional multilateral mechanisms.

ASEM represents a group of countries that are facing many of the challenges confronting the global community – sustainable growth, income inequality, trade, climate change, disaster risks, and peace and security. ASEM's interlinkages with multilateral global governance organisations will reinforce both sides in resolving these challenges and strengthening ASEM's multilateral form.

Governments across the globe recognise connectivity's growing importance. The focus areas of ASEM connectivity – sustainable development, trade and economic cooperation, new areas of connectivity, peace and security, and bringing people closer – should stay close to inclusive development and adhere to the motto of 'leaving no one behind'. Doing so will also fulfil the theme of the 12th ASEM Summit: Global Partnerships for Global Challenges. The *Brussels Report* concludes that with these interlinkages in place, the time and direction are right for deepening and strengthening ASEM connectivity.

# **CONTRIBUTORS**

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**ABOUT ERIA** The Economic Research Institute for ASEAN and East Asia (ERIA) was established at the Third East Asia Summit (EAS) in Singapore on 21 November 2007. It is an international organisation providing research and policy support to the East Asia region, and the ASEAN and EAS summit process. The 16 member countries of EAS—Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam, Australia, China, India, Japan, Republic of Korea, and New Zealand—are members of ERIA.

### INTRODUCTION

Brussels Report on Strengthening Asia-Europe Connectivity

DRAWING SYNERGY FROM GLOBAL DEVELOPMENT AND GOVERNANCE PROGRAMMES

Anita Prakash

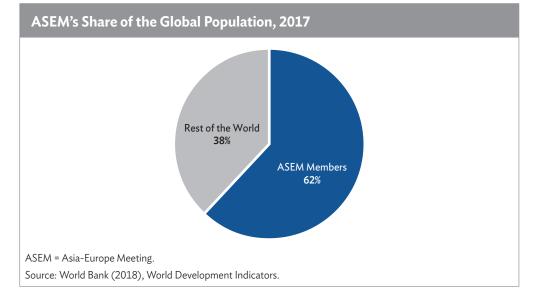
# Brussels Report on Strengthening Asia-Europe Connectivity

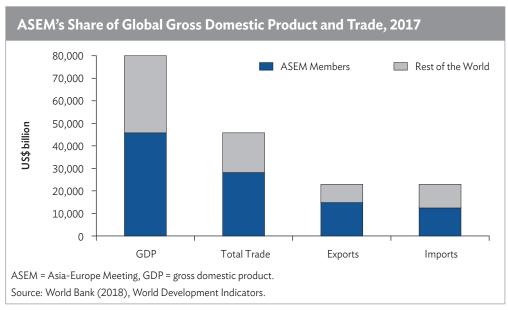
## DRAWING SYNERGY FROM GLOBAL DEVELOPMENT AND GOVERNANCE PROGRAMMES

#### Anita Prakash

The Asia-Europe Meeting (ASEM) represents a sizeable part of the global community. Since its inception in 1996, ASEM has played a key role as a forum for dialogue and cooperation in connecting Asia and Europe. ASEM is uniquely placed for fostering interregional relations. In the past 22 years, the ASEM process has proved its vitality and relevance through a steady increase in membership and enhanced cooperation between Asia and Europe for the benefit of their peoples. As the main multilateral platform linking Asia and Europe, ASEM represents a significant global weight. Representing 62% of the global population, ASEM is more aware than before that its combined strength and connectivity has a benign influence over regional and global development processes and that ASEM can have a major voice in global affairs (Figure 1.1).

#### **FIGURE 1.1**





#### **FIGURE 1.2**

ASEM members command 57% of global gross domestic product (GDP) and 65% of global trade (Figure 1.2). Asia and Europe have succeeded remarkably in harnessing the dynamics of modern trade and production patterns. Intraregional trade in goods and services between the two regions, spurred by trade liberalisation, and foreign direct investment (FDI) have proved to be a powerful engine of growth and participation in global value chains (GVCs). Strengthened connectivity between Asia and Europe has also led to cooperation in improving soft infrastructure and simplifying the regulatory trade and investment environment. The ASEM economic indicators speak out for the strength of Asia-Europe connectivity and also for the strength of intra- and inter-regional trade and economic cooperation.

# Asia-Europe Connectivity: Global Partnerships for Addressing Global Challenges

ASEM celebrated 20 years of existence at the 11th ASEM Summit in Ulaanbaatar in July 2016. The year was significant for ASEM in more ways than just commemorating its two decades of existence and the laying out of a vision for ASEM connectivity into a third decade. At the 2016 ASEM Summit, ASEM leaders evaluated the outcomes of the

institution and committed to setting forth a vision plan for ASEM that is responsive to changing regional and global needs. ASEM, in its third decade, has a larger commitment towards the global community and towards its own members in facing the negative consequences of globalisation, maintaining the momentum towards sustainable development, and creating conditions where the benefits of development can be shared by all. There is an understanding among ASEM members to use the combined strength of ASEM to respond to global challenges. ASEM connectivity, by far the most visible face of the informal grouping, has been put centre stage to create strong and focused mechanisms under which ASEM can channel its strength and address global challenges with local results. Partnerships and combined efforts are the binders of this approach, and voluntary initiatives by member countries have been encouraged as the essence of ASEM connectivity mechanisms.

The 11th ASEM Summit took place amidst the backdrop of a global consensus for adopting a universal plan of action for people, the planet, and prosperity. The universal plan also sought to strengthen peace in a larger atmosphere of freedom. The creation of the 2030 Agenda embodied the global community's efforts for building an inclusive, sustainable, and radiant future and for ensuring a peaceful life for people. It was also a response to global headwinds challenging policies for promoting openness and growth in the global economy. It came at a time when the global community faced uncertainties about the real benefits of globalisation, the unequal distribution of global prosperity, rising support for trade restrictiveness, and the hardening of borders against the movement of people, all of which had put the global governance and multilateral systems under strain. These uncertainties and global challenges brought the focus on people and regions 'left behind', both in the developed and developing worlds.

Against this background, ASEM leaders resolved to making the ASEM connectivity mechanisms more committed towards a connected Asia and Europe. This was also the time when the leaders declared they would put ASEM's collective weight behind efforts for realising the objectives of global development programmes and supporting the tasks of multilateral organisations for better global governance.

In the 2016 Ulaanbaatar Declaration on Asia Europe Meeting (ASEM) into the Third Decade, ASEM leaders renewed their political will and their strong resolve 'to work together to energize ASEM, to promote further connectivity, mutually beneficial partnership and cooperation between Asia and Europe with a view to building an inclusive, sustainable and radiant future for our people and to ensure a peaceful life and shared prosperity for present and succeeding generations'. Connectivity, in its multidimensional form, reduces policy uncertainty and volatility among regions and countries. ASEM leaders committed to fostering their partnership to reduce such uncertainties and to lead ASEM successfully into its third decade. The *Ulaanbaatar Declaration* further noted: 'ASEM will reinforce its role as a catalyst for effective multilateralism and a rules-based international order. ASEM will enhance in a balanced manner all three key pillars of its partnership in order to meet the aspirations of our peoples for peace and stability, economic prosperity, sustainable development and a better quality of life. ASEM will strive to further strengthen Asia-Europe multi-dimensional and people-centered partnership.'

In order to deepen and strengthen Asia-Europe connectivity, ASEM leaders emphasised the need for sharing the common goals and objectives of important global partnerships and cooperation programmes that can add value to ASEM's vision of connectivity. Paragraph 5 of the Chair's Statement of the 11th ASEM Summit in Ulaanbaatar emphasised the need for drawing strength and a common purpose from the adoption of the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the Sendai Framework for Disaster Risk Reduction, and the Paris Agreement. These milestone documents are aimed at building an inclusive, sustainable, and prosperous future for all people and the planet – objectives that can strengthen the three pillars of ASEM connectivity and help realise a connected, inclusive, and sustainable Asia-Europe region.

# ASEM Connectivity Is Aligned with the Objectives of Global Development Programmes

The 11th ASEM Summit in 2016 in Ulaanbaatar agreed to make ASEM more responsive to emerging demands and the need for greater connectivity, and to draw strength and common purpose for ASEM's connectivity mechanisms from global development programmes. To this end, leaders established the ASEM Pathfinders Group on Connectivity (APGC). The APGC was tasked with providing a commonly agreed definition of connectivity that can ensure Asia and Europe are more connected than before and that the connectivity activities contribute to global plans for sustainable development, specifically the 2030 Agenda.

ASEM connectivity was defined at the APGC meeting in Nay Pyi Taw in 2017:

Connectivity is about bringing countries, people and societies closer together. It facilitates access and is a means to foster deeper economic and people-topeople ties. It encompasses the hard and soft aspects, including the physical and institutional social-cultural linkages that are the fundamental supportive means to enhance the economic, political-security, and socio-cultural ties between Asia and Europe, which also contribute to the narrowing of the varying levels of development and capacities.

ASEM connectivity ... should also contribute to the materialisation of the principles, goals and targets of the 2030 Agenda For Sustainable Development. Sustainability is one of the important quality benchmarks for the connectivity initiatives in the ASEM context.

ASEM is, therefore, mandated to draw synergies from global sustainable development programmes with which it shares common goals and objectives. The global development programmes that are relevant to the people of Asia and Europe – and indeed to the entire global community – and that can be addressed under the ASEM connectivity mechanisms are the following:

- The 2030 Agenda for Sustainable Development
- The Sendai Framework for Disaster Risk Reduction
- The Paris Agreement

ASEM has underlined the common objectives of connectivity, inclusiveness, and sustainability. In this regard, programmes of action for least developed countries, landlocked least developed countries, and Small Island Developing States are also very important for strengthening the objectives and goals of Asia-Europe connectivity. Accordingly, ASEM connectivity must draw from the objectives and results of the following programmes:

 Istanbul programme of Action, Vienna programme of Action and Samoa Pathway (for least developed countries, landlocked least developed countries and Small Island Developing States respectively)

# Asia-Europe Cooperation Can Sustain Multilateralism and Support Global Governance

ASEM is committed to strengthening Asia-Europe connectivity in all its dimensions. Multilateralism and global cooperation programmes have nurtured common goals of development for all. Asia-Europe connectivity stands reinforced and strengthened by effective multilateralism and the rules-based international order. In turn, ASEM's strength can reinforce the mandate and workings of multilateral institutions and governance mechanisms for trade, financial stability, and economic growth.

Multilateral governance bodies are mandated to represent the interests of all their member countries. Supporting the global governance mechanisms that function through the spirit and practice of multilateralism is, therefore, inevitable for a multilateral body such as ASEM. ASEM connectivity rests on the foundation of global governance and the spirit of multilateralism. ASEM's role in multilateral bodies is important for strengthening Asia-Europe connectivity and for adapting its objectives to the goals of global development programmes.

There are some important areas of cooperation that will contribute to ASEM's role as a catalyst for effective multilateralism and a rules-based international order. ASEM can develop a much more interdependent and cooperative character and provide an ideal platform for generating peace, stability, economic prosperity, and sustainable and inclusive development. ASEM's cooperation with multilateral organisations allows it to reach the best practices and the technical know-how to contribute to ASEM's economic and political objectives, as well as to

#### **FIGURE 1.3**



sustainable development, financial management, and cooperation activities. Conversely, ASEM can share its connectivity outcomes with other multilateral organisations to support their mandates.

#### Brussels Report on ASEM Connectivity

At the 12th ASEM Summit in Brussels during 18–19 October 2018, the ASEM leaders will meet under the theme of 'Global Partners for Global Challenges' to chart a common response to global issues. ASEM leaders will assess the drivers for deepening ASEM connectivity and for effectively using ASEM's connectivity mechanisms to deliver results for global development programmes. ASEM leaders will also be apprised of the important outcomes from Asia-Europe connectivity activities that address a wide range of themes: energy, small and medium-sized enterprise financing, immigration, countering radicalisation, equal opportunities for women, sustainable development, disability and ageing, tourism, disaster rescue and relief, green shipping, technical and vocational education training, pharmaceuticals and diagnostics, sanitary and phytosanitary measures, and food security, etc. Some of the landmark outcomes from ASEM connectivity that can contribute to progress towards realising the Sustainable Development Goals and in achieving the objectives of the Paris Agreement and Sendai Framework for Disaster Risk Reduction have emerged from ASEM activities under the sustainable development theme. ASEM's support for the initiatives of the less developed member states, such as Cambodia, Lao PDR, and Myanmar, in organising ASEM activities is noteworthy as the support effectively enhances the capacities of the host countries. Importantly, an enhanced role for ASEM in support of multilateralism and global governance mechanisms is emerging along with a new set of interlinkages that ASEM can offer to the global community to address global challenges together.

## ASEM Connectivity: Regional Results for Global Development Programmes

ASEM leaders have raised ASEM connectivity to a larger purpose that transcends the borders of Asia and Europe. The ASEM process comprises of ministers, senior officials, research bodies, civil society, and governments of member countries. These groups have worked hard in the intervening period between the Ulaanbaatar and Brussels summits to make ASEM more responsive to the emerging demands for connectivity within the framework of economic prosperity, institutional linkages, and sociocultural exchange and cooperation. ASEM has consolidated the lessons learned in the field of connectivity from its activities to further develop the direction of and framework for the policy processes for ASEM's connectivity activities. The Brussels summit will make evident the extent to which ASEM connectivity is prepared to meet regional and global needs. The chapters of the *Brussels Report* provide details for the ASEM Summit for building on the efforts of Asia and Europe towards realising the goals of global development programmes. Asia-Europe connectivity plans can seek active sustenance from the efforts of ASEM members and from global cooperation programmes and agreements, which can strengthen and deepen ASEM connectivity and create a responsive and inclusive blueprint for the development of the ASEM region. For definitive outcomes, ASEM leaders need to make connectivity the basis for inclusive growth and socio-economic development. Their task will be supported through the Economic Research Institute for ASEAN and East Asia–European External Action Service *Brussels Report*, which will align ASEM's connectivity goals and objectives with the objectives and results of global and regional programmes designed to balance growth with inclusive and sustainable development.

The ground covered by the APGC between the Ulaanbaatar and Brussels summits in rationalising and infusing efficiency and results orientation into ASEM's connectivity activities is commendable. The APGC and the ASEM Ministers' Meetings and Summits constitute ASEM's structural strength and can jointly nurture the interlinkages between ASEM and global development programmes and support multilateralism and global governance. Interlinking the goals and objectives of global development programmes with the activities of ASEM and sharing the outcomes of these activities with governments, multilateral institutions, and other stakeholders from civil society is the way forward for ASEM connectivity.

Strengthening ASEM Connectivity

REALISING THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT AND THE SUSTAINABLE DEVELOPMENT GOALS

Diana-Larisa Zahorte and Anita Prakash

# Strengthening ASEM Connectivity

## REALISING THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT AND THE SUSTAINABLE DEVELOPMENT GOALS

#### Diana-Larisa Zahorte and Anita Prakash

On 25 September 2015, the United Nations General Assembly formally adopted the universal, integrated, and transformative 2030 Agenda for Sustainable Development, along with a set of 17 Sustainable Development Goals (SDGs) and 169 associated targets.

2015 marked a defining year for sustainable development worldwide. At the 70th United Nations (UN) General Assembly on 25 September 2015, world leaders adopted a new global sustainable development framework: the 2030 Agenda for Sustainable Development – popularly called the '2030 Agenda' – having at its core the SDGs. In the same year, the Paris Climate Agreement (COP 21); the Addis Ababa Action Agenda, as an integral part of the 2030 Agenda; and the Sendai Framework for Disaster Risk Reduction were also adopted.

When adopting the 2030 SDGs, leaders of the world agreed to work together to implement the agenda within their countries and at the regional and global levels. The agenda recognises different national realities, capacities, and levels of development among countries. National policy space for sustained, inclusive, and sustainable economic growth, in particular for developing states, is equally important in the agenda while remaining consistent with relevant international rules and commitments. In adopting the 2030 Agenda, leaders of the world underlined the importance of regional and subregional dimensions, regional economic integration, and interconnectivity in sustainable development.

The 2030 Agenda represents a commitment to eradicating poverty and achieving sustainable development by 2030, ensuring that no one is left behind. The 17 SDGs and their 169 associated targets are global in nature, universally applicable, and interlinked.

#### **BOX 2.1**

#### The Sustainable Development Goals

- Goal 1: End poverty in all its forms everywhere.
- Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
- Goal 3: Ensure healthy lives and promote well-being for all at all ages.
- Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- Goal 5: Achieve gender equality and empower all women and girls.
- Goal 6: Ensure the availability and sustainable management of water and sanitation for all.
- Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.
- Goal 8: Promote sustained, inclusive, and sustainable economic growth, and full and productive employment and decent work for all.
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.
- Goal 10: Reduce inequality within and among countries.
- Goal 11: Make cities and human settlements inclusive, safe, resilient, and sustainable.
- Goal 12: Ensure sustainable consumption and production patterns.
- Goal 13: Take urgent action to combat climate change and its impacts.
- Goal 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
- Goal 15: Protect, restore, and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
- 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.
- Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development (finance, technology, capacity-building, trade, and systemic issues of policy coherence, multiple stakeholders, and data monitoring).

<sup>a</sup> Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

All countries, developed and developing alike, have a shared responsibility for achieving the SDGs. The 2030 Agenda integrates in a balanced manner the three dimensions of sustainable development – economic, social, and environmental – and reflects for the first time an international consensus that peace, security, justice for all, and social inclusion are not only to be pursued on their own but that they reinforce each other.

Paragraph 21 of the agenda is relevant for the Asia-Europe Meeting (ASEM), clearly stipulating that regional and subregional frameworks can facilitate the effective translation of sustainable development policies into concrete action at the national level. ASEM recognised the global mandate for sustainable development in its summit statement of 2016, when the ASEM leaders recommended greater engagement with the UN Global Compact on the 2030 Agenda. In a nod to Asia and Europe's commitment to the 2030 Agenda, the theme of the ASEM Summit of 2018 is 'Global Partners for Global Challenges'. The ASEM connectivity mechanism has been engaged in mainstreaming the sustainable development agenda across its three economic, political, and socio-cultural pillars.

This chapter highlights the current progress of ASEM partners towards achieving the SDGs and brings out the advantages of the ASEM dialogue mechanism for supporting the pursuit of sustainable development in Asia and Europe, including through its connectivity agenda. By promoting connectivity, which has sustainability as its benchmark, ASEM can contribute to the progress towards achieving the SDGs. At the same time, intensifying the dialogue and exchanging know-how in the field of sustainable development can help to strengthen ASEM connectivity at the political-institutional level.

# The Sustainable Development Goals in the European Union

The European Union (EU) can take pride in the fact that sustainable development has always been part of its original design. Article 3 of the Consolidated Version of the Treaty on European Union states that the single market 'shall work for the sustainable development of Europe based on balanced economic growth and price stability'. Article 21 further states the EU will strive for international cooperation to 'foster the sustainable economic, social, and environmental development of developing countries', as well as to 'help develop international measures to preserve and improve the quality of the environment and the sustainable management of global natural resources, in order to ensure sustainable development'. The EU also developed its own Sustainable Development Strategy (EU SDS) in 2001, which it has constantly improved over time to keep up with evolving trends both inside and outside the EU. Since 2005 and up to 2015, Eurostat, the European Commission's statistical office, has regularly produced biennial monitoring reports of the EU SDS based on the EU's set of Sustainable Development Indicators. Eurostat also monitors the Europe 2020 Strategy, which promotes smart, sustainable and inclusive growth in the EU.

It came then as no surprise that the EU greatly supported the UN's efforts for an ambitious 2030 Agenda in 2015. Two key documents adopted the following year show how the EU has internalised and incorporated the task of achieving the SDGs in consonance with its own specificities. The Global Strategy for the EU's Foreign and Security Policy, released in June 2016, clearly identifies the links between the EU's foreign policy objectives and the 2030 Agenda, stating that 'prosperity must be shared and requires fulfilling the Sustainable Development Goals worldwide, including in Europe'. The EU approach towards implementing the 2030 Agenda is further detailed in the 22 November 2016 European Commission's communication, 'Next Steps for a Sustainable European Future – European Action for Sustainability'. It maps out the EU's policies contributing to the SDGs, both within the EU and through the EU's external actions, with different instruments used depending on the division of responsibilities between EU institutions and member states. Key actions include:

- incorporating the SDGs into EU policies and initiatives across the board, with sustainable development as an essential guiding principle for all European Commission policies;
- providing regular reporting of the EU's progress as of 2017;
- taking the implementation of the 2030 Agenda forward with EU governments, the European Parliament, other European institutions, international organisations, civil society organisations, citizens, and other stakeholders;
- launching a high-level multi-stakeholder platform, supporting the exchange of best practices on implementation across sectors at the national and EU levels; and
- launching a longer-term vision with a post-2020 perspective.

The EU has adapted its monitoring of sustainable development progress to the existence of a global agenda on sustainable development. The first evaluation of the EU and its member states against the SDG criteria was published by Eurostat in late 2016, and a more comprehensive report was released in November 2017, namely 'Sustainable Development in the European Union – Monitoring Report on Progress towards the SDGs in an EU Context'. The report reveals a complex picture of the EU's progress towards sustainable development over the last five years:

- The EU has made progress towards all goals.
- Progress in some goals has been faster than in others, and within goals, movement away from the sustainable development objectives has also occurred in specific areas.
- The EU has made moderate progress towards eight SDGs: SDG 4, quality education; SDG 17, partnership for the goals; SDG 9, industry innovation and infrastructure; SDG 5, gender equality; SDG 8, decent work and economic growth; SDG 1, no poverty; SDG 2, zero hunger; and SDG 10, reduced inequalities.
- Insufficient data over the past five years did not allow for calculation of the trends in four goals: SDG 6, clean water and sanitation; SDG 13, climate action; SDG 14, life below water; and SDG 16, peace, justice, and strong institutions.

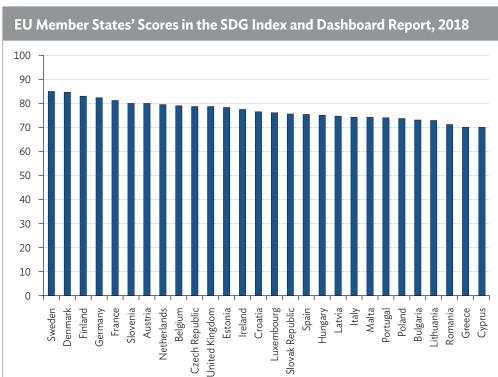
Eurostat has aligned as much as possible its set of indicators to the 2030 Agenda SDGs, but it does not include all indicators on the UN list, focusing on those relevant to EU policies in the long term. Lack of availability of data demonstrates the formidable challenge in monitoring sustainable development, further complicated by the specificity of each region or each country's policy priorities. The Eurostat report also notes that progress towards a particular goal does not necessarily mean satisfaction with the level attained or that the region is on track to achieve the goal by 2030. This is in line with the results of the more recently published 2018 SDG Index and Dashboards Report, a study produced by the Sustainable Development Solutions Network and Bertelsmann Stiftung, which shows that no country is on track to achieving all SDG goals by 2030 and that overall progress towards Goal 12, responsible production and consumption, is still too slow.

Although the EU overall, and certain individual member states, is ahead in achieving the SDGs, success is not being taken for granted. Developing a long-term vision and focus on sectoral policies after 2020 and preparing for the long-term implementation of the SDGs is deemed important. The EU's Multiannual Financial Framework will also orient the EU's budget contributions towards the achievement of the EU's long-term SDG objectives.

#### **FIGURE 2.1**

Overview of Progress towards the SDGs in the European Union





#### **FIGURE 2.2**

EU = European Union, SDG = Sustainable Development Goal. Source: Sustainable Development Solutions Network and Bertelsmann Stiftung (2018).

## Partnering with Asia to Promote Sustainable Development and Connectivity

The EU has an extensive network of cooperation in Asia, including in the field of sustainable development, both with individual countries and regional organisations. The EU's external action, as mapped out in the EU Global Strategy, places an important emphasis on cooperation with a 'connected Asia'. In terms of region-to-region engagement, involvement with the ASEAN and ASEM frameworks takes centre stage. In the case of ASEAN, notable development cooperation projects, such as the Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI) and the Enhanced ASEAN Regional Integration Support from the EU (ARISE Plus) aim to support policy dialogue and regional economic integration across all three ASEAN community pillars. The two programmes were launched on the occasion of the first High-level EU-ASEAN Dialogue on Sustainable Development held in November 2017 in Thailand.

With regards to ASEM, the EU is a staunch supporter of placing connectivity at the heart of ASEM activities. The EU is co-chairing the ASEM Pathfinders Group on Connectivity and has helped in identifying tangible areas of cooperation for Asia-Europe connectivity. Supporting sustainable connectivity is one of the focus areas. Existing region-to-region engagements can contribute to greater Asia-Europe connectivity and add to the progress of member countries towards the SDGs. The monitoring of progress towards the SDGs is a task at the thematic, national, regional, and global levels. It is an area to which further Asia-Europe cooperation under the ASEM framework can contribute.

# The Sustainable Development Goals in Non-EU Countries: Norway and Switzerland

Norway and Switzerland are two other European countries in ASEM who are leading in the implementation of the 2030 Agenda with a score of 81.2 and 80.1, respectively, in the SDG Index and Dashboard Report 2018. As with the EU, these two countries are making important contributions to realising the 2030 Agenda outside Europe. They are expected to play an important role in supporting the efforts in Asia, which will strengthen ASEM connectivity through a collective pursuit of the 2030 Agenda among members.

Norway has taken important steps for identifying challenges and integrating SDG reporting into its annual budget documents. The Prime Minister of Norway is also engaged internationally, as co-chair with the President of Ghana, in the UN Secretary-General's SDG Advocacy Group. This special contribution from Norway can be further leveraged in ASEM to develop partnerships and practices that could be of particular interest to the wider UN membership and stakeholders, and especially with ASEM. The SDG Advocacy Group promotes the universal character of the SDGs, including the commitment of the goals to leave no one behind; to promote the engagement of new stakeholders in the implementation and financing of the SDGs; to encourage partnerships with governments, civil society, and the private sector to share knowledge and resources; and to raise awareness for the integrated nature of the SDGs. This can find resonance in the ASEM activities on SDGs.

Norway has a long tradition of solidarity with developing and vulnerable countries. In the context of the SDGs, it has committed to resource mobilisation, technology and knowledge transfer, open trade and market access; and capacity-building to ensure effective and accountable governance institutions and respect for the rule of law and human rights. Gender equality and rights for women and girls, access to education and health for all, and a human rights-based approach are high priorities as these are crucial factors for reducing extreme poverty and creating equal opportunities for all. Working with Latin American, African, and Asian partners in efforts to reduce greenhouse gas emissions from deforestation and forest degradation in developing countries, REDD+ is Norway's most visible programme, and its lessons can be leveraged in ASEM's agenda to contribute to global compacts and draw synergy from these programmes to deepen the ASEM connectivity.

Norway recognised early on that additional work is also required to develop indicators, both at the national and global levels. Statistics Norway's contribution to the UN process of developing indicators for the SDGs can be a valuable contribution to the ASEM's efforts for developing ASEM-level information on progress towards the SDGs.

Switzerland attaches great importance to the 2030 Agenda and is committed to its implementation both in Switzerland and globally. Besides its Sustainable Development Strategy and the Dispatch on Switzerland's International Cooperation 2017–2020, it plans to implement the 2030 Agenda through existing national and international sectoral policies, including the related bilateral and multilateral conventions. For supporting and strengthening ASEM activities on the 2030 Agenda, the federal government's MONET system of indicators, which is used to monitor sustainable development, can be shared with ASEM in a customised manner to track progress on the SDGs in ASEM countries. This will also be useful for capacity-building among Asian countries for national reporting on progress towards the SDGs.

### The Sustainable Development Goals in Asia

Asia has succeeded in dramatically reducing poverty, increasing levels of education, extending life expectancy, and building fast-growing and resilient economies that have largely weathered global crises. Yet, Asia has the strongest need to pursue results under the SDGs in order to make growth inclusive and leave no one behind.

Compared to Europe, analysis of the SDGs in Asia is a more diversified exercise with equally diverse results. United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) analysis of the implementation of the SDGs in 2017 shows that inequalities are widening in terms of income and wealth and opportunity and access to services. Income inequalities grew in almost 40% of all countries in Asia.

Large disparities exist in access to education, bank accounts, clean fuels, and basic sanitation. Poor and disadvantaged groups are disproportionally affected by environmental degradation. Inequalities in income and lack of employment opportunities, along with poverty, landlessness, and vulnerability to natural disasters and climate change could unravel development gains in Asia. Healthy progress and standards in rich Asian countries are depressed by results from poor and developing countries.

UNESCAP estimates that Asia is five times more likely to be affected by natural disasters than any other region. Extreme weather events, including slow onset disasters such as drought, undermine food security and impel other economic vulnerabilities. Disasters also widen inequalities in urban areas. Climate change continues to magnify and reshape the risk of disasters and increase their costs. Asia requires the strengthening of risk governance, an increase in investment in disaster risk reduction, and better management of the fiscal burden of disasters to avoid a disproportionate impact on the poor and vulnerable. With over half of global greenhouse gas emissions coming from the Asia and the Pacific region, countries in the region also face the considerable challenge of decarbonisation. However, the necessary energy transformation in Asia and the Pacific is still in an early stage. Progress on achieving access to affordable and reliable energy is insufficient. The significant growth in renewable energy has been outpaced by the growth in energy demand and fossil fuel use.

Leaving no one behind will require re-aligning investments to deliver the 2030 Agenda and targeted policies for the most vulnerable. This includes addressing the challenges of population ageing in Asia and the Pacific, building disability-inclusive societies for over 600 million people with disabilities, achieving safe, orderly, and regular migration to address the challenges faced by over 60 million international migrants in the Asia and the Pacific region, and investment in building resilience and promoting innovation. Eliminating gender disparities and closing gender gaps in all aspects of work requires fundamental investments.

UNESCAP's work over the past year shows that the region has not yet put in place the policies that will drive the transformative change needed to deliver on the Regional Road Map for Implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific. The region has everything it takes to change course and move quickly towards achieving the SDGs. Finding synergy with its partners in Europe and other parts of the world in implementing the 2030 Agenda is the way forward.

## Poverty, Health, and Well-being

Asia has made satisfactory progress towards two of the SDGs, eradicating poverty (Goal 1) and promoting good health and well-being (Goal 3), and is on target to achieving SDG 4. Quality education and lifelong learning opportunities for all should be achieved by 2030 if the existing momentum is maintained. However, implementation across the SDGs needs to be scaled up substantially, especially in critical areas where the region as a whole seems to be lagging behind, namely on reducing inequalities and on promoting peaceful societies and access to justice and strong institutions.

# Sustainable Economic Growth and Environmental Goals

Progress in the development of industry, innovation, and infrastructure (Goal 9) is positive in Asia, especially for targets on research and development investment and increasing mobile network coverage, but requires an acceleration in pace if this goal is to be fully met by 2030. On the other hand, efforts to promote decent work and inclusive economic growth (Goal 8) have been much less successful. Asia's performance in reducing inequalities within and among countries (Goal 10) is patchy. Inequalities within and among countries are widening relative to 2000 as some countries have enjoyed much stronger growth than others and have not always been successful in sharing the proceeds equitably.

The health of Asia and the Pacific's oceans has deteriorated since 2015, highlighting the need to strengthen measures to conserve and sustainably use ocean, sea, and marine resources (Goal 14). Sustainable use of terrestrial ecosystems, the protection of forest areas, and the reduction in degradation of natural habitats also have weakened since 2015. Progress towards climate action and sustainable cities and communities has been limited.

The goals for peaceful and inclusive societies, although measured by very limited indicators, show less progress than in 2000.

Progress towards the SDGs in Asia varies significantly across regions. East and Northeast Asia lead the region in progress towards achieving responsible consumption and production but emit more air pollutants than the regional average. North and Central Asia are close to achieving the regional targets on delivering high-quality education and sustainable cities and communities. Southeast Asia is the only subregion with increasing inequalities. South and Southwest Asia have been very successful in reducing inequalities but are behind the regional average in gender equality and clean water and sanitation. Southwest Asia also faces the greatest challenge to remaining on track to achieve the SDGs.

Intra-regional disparities highlight the need for policy prioritisations at the subregional level. Large disparities among countries threaten Asia and the Pacific's overall ability to achieve the SDGs. If Asia is to achieve the SDGs, targeted support may be needed for countries identified as being farthest behind. Equitable economic growth and sustainable industrialisation – measured by manufacturing value added as a share of gross domestic product – are other target areas in which the region is regressing and disparities are large or increasing.

# Measuring Progress in Asia: A Critical Area for Asia-Europe Cooperation

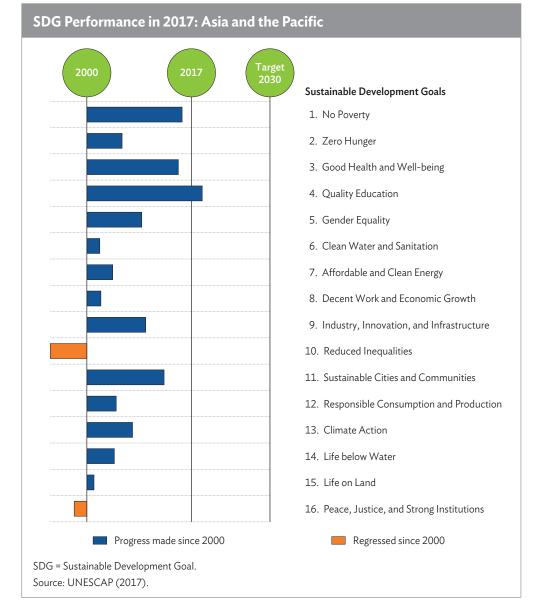
UNESCAP reports that only a quarter of the official SDG indicators can be used to assess progress in Asia and the Pacific due to limited data availability. Large data gaps, which limit a comprehensive and robust progress assessment of the SDGs, must be filled. The most data-poor SDGs are reduced inequalities (Goal 10), sustainable cities and communities (Goal 11), responsible consumption and production (Goal 12), climate action (Goal 13), life below water (Goal 14), and peace, justice, and strong institutions (Goal 16). On these six goals, less than 15% of the official SDG indicators are available for regional progress assessment.

Asia faces unique difficulties in measuring progress on climate action and life below water since no indicators are available. Proxy indicators have been used by UNESCAP for the analysis of SDG performance for these goals.

The significant role of Asia in Goal 17 – revitalising partnerships and strengthening the means of implementation for achieving the SDGs – ensures a strong platform for Asia-Europe cooperation to draw synergy from the SDG 2030 Agenda and to join hands in addressing the global challenges together.

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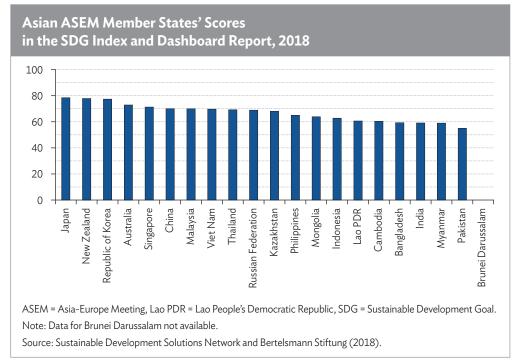
#### **FIGURE 2.3**



National statistical systems in Asia must adopt new sources of data and establish new partnerships to expand the scope of official statistics. ASEM partners have an important contribution to make in SDG statistical systems, especially for Goal 13 and 14. This is ASEM's real challenge. It is also an opportunity to deepen Asia-Europe connectivity through a collective effort in developing common SDG indicators and calibrated measurement systems that can address the diverse levels of development among countries and regions in Asia and Europe.

#### BRUSSELS REPORT ON STRENGTHENING ASIA-EUROPE CONNECTIVITY

#### FIGURE 2.4

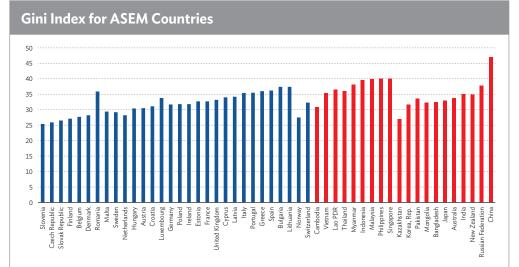


# Will the ASEM Region Be Able to Achieve the Targets by 2030?

The SDGs were adopted through a global consensus on development for all where no one is left behind. Goal 10 aims to reduce inequality within and among countries. The international community is making significant strides towards lifting people out of poverty. The ASEM region has performed well on poverty reduction. However, inequality still persists, and large disparities remain in access to health and education services and other assets.

It is significant for ASEM to consider that while income inequality between countries is reducing, inequality within countries appears to be on the rise. There is growing consensus that economic growth is not sufficient for reducing poverty if it is not inclusive and if it does not involve the three economic, social, and environmental dimensions of sustainable development. The three pillars of ASEM connectivity bind these three dimensions horizontally and vertically. The current extent of inequality within the member countries will be an impetus for ASEM to put its weight behind the motto of the SDGs – leave no one behind – and to create mechanisms for the realisation of the SDGs in the ASEM region by 2030.

#### **FIGURE 2.5**



ASEM = Asia-Europe Meeting, Lao PDR = Lao People's Democratic Republic.

Note: The data years are 2011 for India, 2012 for Cambodia, the Lao PDR, and Republic of Korea; 2013 for Indonesia; 2014 for Bulgaria, and Malaysia; 2015 for Slovenia, Czech Republic, Slovak Republic, Finland, Belgium, Denmark, Romania, Malta, Sweden, Netherlands, Hungary, Austria, Croatia, Luxembourg, Germany, Poland, Ireland, Estonia, France, United Kingdom, Cyprus, Latvia, Italy, Portugal, Greece, Spain, Lithuania, Norway, Switzerland, Thailand, Myanmar, the Philippines, Kazakhstan, Pakistan, Japan, Australia, New Zealand, and Russian Federation; 2016 for Vietnam, Mongolia, Bangladesh, and China; 2017 for Singapore. No data available for Brunei. Data for Singapore is Gini after accounting for government transfers and taxes.

Sources: World Bank (2018) for all European countries except Poland, Vietnam, Thailand, Myanmar, Lao PDR, Indonesia, Kazakhstan, Rep. of Korea, Pakistan, Mongolia, Bangladesh, India, and Russian Federation; OECD (2017) for Japan, Australia, and New Zealand; CEIC (2016) (sourced from the National Bureau of Statistics) for China, Poland, the Philippines, and Cambodia; Department of Statistics, Malaysia (2017); Department of Statistics, Singapore (2017).

# Strengthening ASEM Connectivity for Cooperation on the Agenda 2030

Asia and Europe have different routes to reaching the SDGs. Europe has a strong start on achieving the SDGs, and its sustainability targets are geared towards youth unemployment, ageing populations, climate change, pollution, sustainable energy, and migration. Asia has diverse reports on the region's progress towards the SDG targets. It is an equally diverse region. The ASEM Connectivity Mechanism, therefore, can be an important means of supporting the realisation of the SDGs in Asia and Europe.

Even prior to the adoption of the 2030 SDGs, ASEM connectivity had a component driven by cooperation among member countries on issues of sustainable development.

The topics ranged from the 4.0 Industrial Revolution and the implementation of Society 5.0 for reaching the SDGs to green shipping and blue business, water resource management and sustainable development, small and medium-sized enterprises (SMEs), digital connectivity, resilience-based sustainable development, female empowerment, green skills, the water-food-energy nexus, innovation cooperation and entrepreneurship, SME financing, waster waste management, the sustainable management and use of forestry, and renewable energy.

The elements of cooperation and connectivity in ASEM activities are voluntary, and the capacities of host countries and participating members still largely determine the outcomes of such collective efforts on sustainable development issues in the ASEM region. An inventory analysis of ASEM connectivity activities between 2014 and 2018 reveals that after trade and economic cooperation ASEM activities pertaining to sustainable development were the most numerous.

The Danube–Mekong Cooperation Initiative is a fine example of ASEM connectivity on sustainable development issues. At the 12th ASEM Foreign Ministers' Meeting in Luxembourg, held in 2015 under the theme 'Working Together for a Sustainable and Secure Future', ministers agreed to support further cooperation between ASEM partners in the framework of the ASEM Sustainable Development Dialogue and to encourage further concerted actions for tangible cooperation between Asia and Europe in waterrelated issues through transboundary, subregional, and bi-regional cooperation. This was exemplified through the Danube-Mekong Initiative. Ministers reaffirmed their engagement to promote sustainable water management, including integrated river basin management, flood risk control, and access to safe drinking water and sanitation. ASEM successfully concluded the 7th round of the Sustainable Development Dialogue in Budapest in June 2018.

The SDGs will provide a focus and common purpose for ASEM connectivity on issues of sustainable development and contribute to the streamlining and strengthening of ASEM connectivity, which is an important deliverable for the Brussels Summit.

# Asia-Europe Connectivity for the Collective Realisation of the SDGs

At the 11th ASEM Summit, held in Ulaanbaatar in 2016, leaders set out the future role and contribution of ASEM for the full and timely realisation of the goals set up in the 2030 Agenda for building an inclusive, sustainable, and prosperous future for all people of the ASEM region. The leaders underlined the importance of adapting the relevant national policy planning processes, development plans, or strategies for integrating the SDGs and for putting in place systematic and multi-layered follow-ups and reviews of the implementation of the 2030 Agenda at the international and national levels. They expressed readiness on the part of ASEM to contribute to the follow-up and review processes of the UN and other organisations at the global level, including at the high-level forum on sustainable development under the auspices of the United Nations Economic and Social Council and the UN General Assembly. Leaders also encouraged the sharing of best practices and experiences in implementing the SDG agenda and lauded the example of the Danube– Mekong Cooperation Initiative (Budapest Initiative) as a good example of cooperation among ASEM partners.

In 2017, the ASEM Pathfinders Group on Connectivity (APGC) finalised the definition and mandate of ASEM connectivity.

ASEM connectivity aims to establish the sense of building ASEM partnership of shared interests. It upholds the spirit of peace, development, cooperation, and mutual benefit. It will also adhere to and effectively implement relevant international norms and standards as mutually agreed by ASEM partners.... It should also contribute to the materialisation of the principles, goals and targets of the 2030 Agenda for Sustainable Development. Sustainability is one of the important quality benchmarks for the connectivity initiatives in the ASEM context.

In 2018, the 12th ASEM Summit in Brussels is ready to put its collective strength behind the global consensus on the realisation of the SDGs by 2030. The cooperation among ASEM members for the implementation of the 2030 Agenda is expected to strengthen ASEM connectivity across the three economic, political, and social-cultural pillars. Leading up to the ASEM Summit in Brussels, ASEM's connectivity mechanisms have been revitalised through extensive consultations among ASEM senior officials and other stakeholders. The connectivity tasks and areas of cooperation in ASEM are now up-to-date and in sync with global programmes such as the 2030 Agenda for Sustainable Development. This makes the way forward easy as ASEM has a rich inventory of cooperation and connectivity among its members on issues related to sustainable development.

In Brussels, the leaders are expected to make a commitment to using ASEM's connectivity mechanism to address the global challenges. ASEM connectivity platforms and activities can be focused on tangible programmes that further the SDGs among its member countries. It is clear that Asia and Europe must strengthen cooperation in reaching the SDGs by 2030, particularly the goals related to sustainable economic growth, climate change, oceans, peace and security, and, above all, inequality.

## ASEM's Way Forward on Agenda 2030

Following the assessment of the status of the SDGs in Asia and Europe, ASEM is placed with a special task for creating data and a strong follow-up and review mechanism for ensuring the progress and accountability of the SDGs in Asia and Europe. The UNESCAP report on SDG achievements in Asia and the Pacific has recorded that the lack of measurable data and statistics is hampering the assessment of SDG realisation among countries in the region. The 17 SDGs provide qualitative and quantitative objectives for the next 15 years to prepare ourselves for the future and work towards human dignity, stability, a healthy planet, fair and resilient societies, and prosperous economies. An assessment of the progress towards the SDG targets in Asia and Europe (and the subregions) can forecast the likely progress by 2030 and identify areas where greater efforts are needed.

Assessment of the progress on the SDGs in Asia is limited by data availability. Progress is mainly determined by different countries' varying rates of progress towards the SDGs. UNESCAP reports that only 25% of the official SDG indicators can be used to assess progress in Asia and the Pacific due to limited data availability. Large data gaps limit a comprehensive and robust assessment. The ASEM connectivity mechanism can set for itself the task of supporting uniform data reporting and analysis of the progress towards the goals and targets in the ASEM countries. The results can be presented as an 'ASEM Report on the SDGs' in the global bodies that monitor progress towards the SDGs. ASEM has the reach across Asia and Europe and among global institutions to use this reporting on the goals and targets and set out the policy implications for each of them.

The renewed ASEM connectivity mechanism, through its identified and streamlined areas of cooperation, will help both Asia and Europe to make worthwhile progress towards realising all the SDGs by 2030. The elements of monitoring and feedback in ASEM

connectivity tasks will create a valuable SDG record for ASEM members. Importantly, they will bring together the strengths of individual members of ASEM. As noted earlier, the expertise of European partners with statistics and the development of indicators and programmes for supporting the realisation of the SDGs in partner regions and countries, and the unique experiences of the different subregions of Asia on the goals related to poverty, education, health, and well-being can be the illustrative framework for ASEM cooperation on the realisation of the SDGs and the reporting of progress towards the goals.

ASEM connectivity can lead to ASEM integration when Goal 17 is put at the centre of ASEM cooperation for the SDGs. As reported above, Goal 17 embodies the main drivers of national and global policy mechanisms for the SDGs. The ASEM connectivity framework for cooperation on the SDGs must include programmes to strengthen the relevant drivers under ASEM framework as these constitute the foundation of all global and regional partnerships for sustainable development.

- Technology requires regional and international cooperation for access to science, technology and innovation, knowledge sharing on environmentally sound technologies, and capacity-building for least developed countries.
- Capacity-building supports national plans to implement all the SDGs.
- Trade may be the most visible face of ASEM connectivity, but it requires greater support from ASEM for an equitable multilateral trading system, trade facilitation, market access, and increasing trade (export) capacities in least developed countries.
- Systemic issues of policy coordination and coherence among members are required for collective efforts for the SDGs. Increasing the number of stakeholders will bring in other global programmes and groupings to support the realisation of the SDGs.
- Data and monitoring are the keys to the responsible implementation of the SDGs.
   Statistical capacities are the backbone of successful planning and the implementation of programmes.

ASEM's connectivity tasks on sustainable development have to draw out actions on all the elements of Goal 17 in the member countries. These are significant for the realisation of the SDGs and also for creating horizontal linkages among the three pillars of ASEM connectivity.

ASEM recognises that the SDGs will continue to be implemented within national policies and will be shaped by different national realities, capacities, and levels of development in the member countries. Yet, the SDGs are universal goals and targets which involve the entire world, developed and developing countries alike. They are integrated and indivisible and resonate with the three pillars of ASEM connectivity. The scale and ambition of Agenda 2030 require a revitalised global partnership to ensure its implementation. ASEM is well placed in bringing together governments, the private sector, civil society, the United Nations, and other multilateral systems for mobilising resources and expertise on sustainable development. The connectivity-related structures and areas of cooperation in ASEM have been revitalised and streamlined since the Ulaanbaatar summit in 2016. In Brussels, the ASEM leaders will have a sound opportunity to adopt a cooperation strategy on the SDGs under the ambit of ASEM connectivity.

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## The Paris Agreement

## ASIA-EUROPE COOPERATION FOR TARGETED RESULTS

Anita Prakash

## **The Paris Agreement**

## ASIA-EUROPE COOPERATION FOR TARGETED RESULTS

### Anita Prakash

A t the 2015 United Nations Climate Change Conference (COP 21) in Paris, governments agreed that mobilising stronger and more ambitious climate action is urgently required to achieve the goals of the Paris Agreement. Action must come from governments, cities, regions, businesses, and investors. Everyone has a role to play in effectively implementing the agreement.

The Paris Agreement formally acknowledges the urgent need to scale-up our global response to climate change, which supports even greater ambition from governments. The commitments from all actors are recognised in the decision text of the agreement, including those launched through the Lima-Paris Action Agenda.

There is a global consensus that climate change is a common concern for humankind. Asia-Europe Meeting (ASEM) countries constitute 55% of the global population, and it is obligatory for ASEM to support actions for addressing climate change. Supporting such actions fulfils the multidimensional obligations of member countries to respect and promote human rights, the right to health, and the rights of people in vulnerable situations, as well as gender equality and intergenerational equity.

COP 21 adopted the Paris Agreement on Climate Change, which emphasises the urgent need to address the significant gaps between the aggregate effects of countries' mitigation pledges in terms of the global annual emissions of greenhouse gases by 2020. It sets out aggregate emission pathways consistent with holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Specific needs and concerns of developing countries arising from the impact of the implementation of response measures are equally important for meeting the 2020 ambition. Towards this end, ASEM recognises the urgent need for cooperation among member countries for sustainable finance, technology, and capacity-building support to enable enhanced pre-2020 action by developing countries.

The Paris Agreement also acknowledges the need to promote universal access to sustainable energy in developing countries, particularly in Africa, through the enhanced deployment of renewable energy.

All ASEM members have agreed in the Paris Agreement to uphold and promote regional and international cooperation in order to mobilise stronger and more ambitious climate action by all parties and non-party stakeholders, including civil society, the private sector, financial institutions, cities, and other subnational authorities.

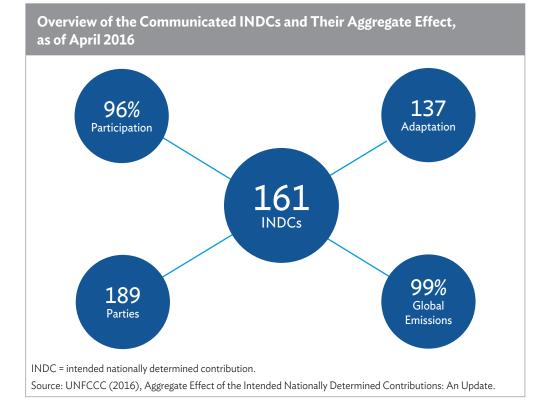
## **Intended Nationally Determined Contributions**

All countries in the Paris Agreement must communicate their intended nationally determined contributions (INDCs), which can be seen on the United Nations Framework Convention on Climate Change (UNFCCC) website. Developed countries and any organisations in a position to do so are encouraged to provide support to other countries.

COP 21 noted that much greater emission reduction efforts will be required than those associated with the INDCs in order to limit the increase in the global average temperature to below 2°C above pre-industrial levels. The expected target is to reduce emissions to 40 gigatonnes, or to 1.5°C above pre-industrial levels. These enhanced targets are expected to be identified in the special report by the Intergovernmental Panel on Climate Change on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways. The report is expected in 2018 at COP 24.

In 2018, a facilitative dialogue among countries will take stock of the collective efforts for progressing towards the long-term goals set in the Paris Agreement and inform about the preparation of the nationally determined contributions. The deliberations and outcomes will determine the pathways for the countries in the Paris Agreement.

#### **FIGURE 3.1**



## Finance, Technology, and Capacity-building

The Paris Agreement recognises the importance of adequate and predictable financial resources for the implementation of policy approaches and positive incentives for reducing emissions and achieving the sustainable management of forests, as well as alternative policy approaches for the integral and sustainable management of forests. The agreement encourages the coordination of support from public and private, bilateral and multilateral, and alternative sources. The Subsidiary Body for Scientific and Technological Advice will develop modalities for the accounting of financial resources provided and mobilised through public interventions under consideration by the Conference of the Parties at its 24th session in November 2018 (COP 24). For serving the Paris Agreement's objectives and goals, the Green Climate Fund and the Global Environment Facility have been entrusted with the operation of the Financial Mechanism of the Convention as well as the Least Developed Countries Fund and the Special Climate Change Fund, administered by the Global Environment Facility.

The agreement urges the institutions serving it to enhance the coordination and delivery of resources to support the country-driven strategies of developing countries, including least developed countries and small island developing states.

Technology development and transfer are vital for supporting the implementation of the agreement. The Climate Technology Centre and Network is supporting further work in member countries relating to technology research and development, and the demonstration, development, and enhancement of endogenous capacities and technologies.

The Subsidiary Body for Scientific and Technological Advice reports its findings to the Conference of the Parties to prepare framework that facilitates the undertaking and updating of technology needs assessments, technology action plans, and project ideas through the preparation of bankable projects, support for the implementation of the results of technology needs assessments, and the assessment of technologies that are ready for transfer.

The Subsidiary Body for Implementation of the agreement, along with the review of the Climate Technology Centre and Network, will initiate the elaboration of the scope of and modalities for the periodic assessment, for consideration and adoption by the Conference of the Parties at its 25th session in November 2019 (COP 25).

The Paris Committee on Capacity-building will address the gaps and needs, both current and emerging, in implementing capacity-building in developing country parties and also enhance coherence and coordination in capacity-building activities under the Convention.

The Paris Committee on Capacity-building will manage and oversee the work plan for the period 2016–2020 to increase synergies through cooperation and avoid duplication among the existing bodies established under the Convention that implement capacitybuilding activities, including through collaborating with institutions under and outside the Convention. The committee's other tasks include:

- (a) identifying capacity gaps and needs and recommending ways to address them;
- (b) promoting the development and dissemination of tools and methodologies for the implementation of capacity-building;
- (c) fostering global, regional, national, and subnational cooperation;
- (d) identifying and collecting good practices, challenges, experiences and lessons learned from work on capacity-building by bodies established under the Convention;

- (e) exploring how developing country parties can take ownership of building and maintaining capacity over time and space;
- (f) identifying opportunities to strengthen capacity at the national, regional, and subnational levels;
- (g) fostering dialogue, coordination, collaboration, and coherence among relevant processes and initiatives under the Convention, including through exchanging information on capacity-building activities and the strategies of bodies established under the Convention; and
- (h) providing guidance to the secretariat on the maintenance and further development of the web-based capacity-building portal.

The Paris Committee on Capacity-building focuses annually on an area or theme related to enhanced technical exchange on capacity-building, with the purpose of maintaining up-to-date knowledge on the successes and challenges in building capacity effectively in that particular area.

Inputs to the Paris Committee for the review of the implementation of the capacitybuilding framework will include annual synthesis reports on the implementation of the framework in developing countries, the secretariat's compilation and synthesis reports on the capacity-building work of bodies established under the Convention and its Kyoto Protocol, and reports on the Durban Forum and the capacity-building portal.

The Paris Agreement calls upon parties to ensure that education, training, public awareness, public participation, and public access to information (as reflected in Article 6 of the Convention and in Article 12 of the agreement) are adequately considered in their contribution to capacity-building.

The Lima-Paris Action Agenda, in conjunction with each session of the Conference of the Parties (COP) during the period 2016–2020, envisages a high-level event that provides an opportunity for announcing new or strengthened voluntary efforts, initiatives, and coalitions, including the implementation of policies, practices, and actions. This is an important platform in the Paris Agreement to provide meaningful, regular, and effective engagement for international organisations, international cooperative initiatives, and non-party stakeholders to contribute to the objectives of the agreement. This is especially valuable for ASEM for catalysing its efforts to strengthen capacity-building, mitigation, and adaptation action within the framework of ASEM connectivity.

The high-level event at each COP session during the period 2016–2020 provides a platform for the exchange of experiences and sharing of best practices on mitigation and adaptation in a holistic and integrated manner. For ASEM, the events are an opportunity to strengthen high-level engagement with countries, international organisations, international cooperative initiatives, and non-party stakeholders who are all contributing to enabling environments and support for the adaptation of specific policies, practices, and actions agreed to in the Paris Agreement.

## Progress towards the Paris Agreement and the INDCs

According to the UNFCCC Synthesis Report of May 2016, as of 4 April 2016, 161 INDCs had been received by the UNFCCC, covering 189 and representing 96% of the Parties to the Convention. The parties that had communicated their INDCs comprise about 99% of the emissions of all Parties to the Convention. All parties included information on their mitigation contributions. A total of 137 parties, accounting for 83% of the INDCs, also included adaptation components in their INDCs.

While the structure and content of the communicated INDCs vary, most countries have addressed the information elements in the agreement, and many have provided additional information, such as on market-based mechanisms, support needs for the implementation of their INDCs, response measures, and economic diversification.

Both Europe and Asia have agreed that the world must stop the growth in greenhouse gas emissions by 2020 and reduce emissions by 60% by 2050 compared with 2010.

## Europe's INDCs

Europe is working hard to cut its greenhouse gas emissions substantially while encouraging other nations and regions to do likewise. Key European Union (EU) targets for 2020 include the following:

- a 20% cut in greenhouse gas emissions compared with 1990;
- 20% of total energy consumption from renewable energy; and
- a 20% increase in energy efficiency.

In 2030, the EU aims to achieve at least a 40% cut in greenhouse gas emissions compared with 1990, 27% of total energy consumption from renewable energy, and a 27% increase in energy efficiency.

Norway is committed to a target of an at least 40% reduction in greenhouse gas emissions by 2030 compared to 1990 levels. The emission reduction target will be developed into an emissions budget covering the period 2021–2030. The country intends to fulfil this commitment through a collective delivery with the EU and its member states. In the event that there is no agreement on a collective delivery with the EU, Norway will fulfil the commitment individually. The ambition level will remain the same in this event.

Switzerland's commitment is to reduce its greenhouse gas emissions by 50% by 2030 compared to 1990 levels, corresponding to an average reduction of greenhouse gas emissions by 35% over the period 2021–2030. By 2025, a reduction of greenhouse gases by 35% compared to 1990 levels is anticipated. Switzerland will partly use carbon credits from international mechanisms.

| Country  | INDC Targets   | Scope of INDC Targets  |  |
|--|--|--|--|
| EU members<br>(submission<br>made by Latvia)   | 20% emission reduction commitment<br>by 2020. Binding target of an at least<br>a 40% domestic reduction by 2030<br>(reference year: 1990). | Economy-wide.<br>All sectors (energy; industrial<br>processes and products use;<br>agriculture; land use, land-use change<br>and forestry; and waste).   |  |
| Norway   | At least a 40% reduction in<br>greenhouse gas emissions by 2030<br>(reference year: 1990).   | Economy-wide.<br>All sectors (energy; industrial<br>processes and products use;<br>agriculture; land use, land-use change<br>and forestry; and waste).   |  |
| Switzerland Reduce emissions by 50% by 2030.<br>35% reduction by 2025<br>(reference year: 1990). |  | Carbon credits from international<br>mechanisms will be used. All sectors<br>(energy; industrial processes and<br>products use; agriculture; land use,<br>land-use change, and forestry;<br>and waste). Supports inclusion of<br>international aviation and shipping in<br>future rules. |  |

### **TABLE 3.1**

ASEM = Asia-Europe Meeting, INDC = intended nationally determined contribution.

Source: UNFCCC (2016), Updated Synthesis Report on the Aggregate Effect of INDCs - Published 2 May 2016. UNFCCC.

### Long-term Goals

Europe believes that moving towards a highly energy efficient and low-carbon economy will be a boost for the economy, create jobs, and strengthen Europe's competitiveness. By 2050, the EU aims to cut its emissions substantially – by 80%–95% compared to 1990 levels as part of the efforts required by developed countries as a group.

The EU is pursuing its climate targets through a combination of financial support and regulation. At least 20% of the EU's budget for 2014 to 2020 – as much as €180 billion – should be spent on protecting the climate. This is on top of funding from individual EU countries.

The EU's emissions trading system is the key tool for reducing greenhouse gas emissions from industry at the lowest cost. EU countries are required to support renewable energy sources, such as wind, solar, and biomass, to reach the green energy targets. Member countries have to reduce the energy use of their buildings, and industries are required to improve the energy efficiency of a wide array of equipment and household appliances.

## Role of Asia in Progressing towards the Paris Agreement and the INDCs

Under the Paris Agreement, the 10 ASEAN member countries have all submitted their INDCs. All ASEM members from Asia have also completed the submission of their INDCs. The INDCs show the willingness of emerging Asian economies to work with the international community to combat climate change. The INDCs will become nationally determined contributions (NDCs) to provide the basis for a pledge and review system to be launched in 2023. Implementation of the INDCs is not only a global commitment but an opportunity for these countries to make decisive, inclusive, and coordinated actions for reshaping their economies and energy systems. The energy sector, accounting for some two-thirds of world greenhouse gas emissions today, is the central pillar of the INDC commitments. The INDCs, bolstered by the Sustainable Development Goals and the ASEAN Economic Community, will impact the deployment of low-carbon energy systems in scale and reach. Together, they provide coherent and integrated global, regional, and local agendas for low-carbon energy pathways. To seize this opportunity, the targets and proposed plans must be translated into national policies and actions.

Table 3.2 shows the common but differentiated responsibilities of the INDCs submitted by ASEM's Asian member countries. Their targets for emission reductions differ greatly in terms of their ambition and the way they are expressed as sectoral actions. The INDCs of Cambodia, Indonesia, Philippines, Viet Nam, and China comprise absolute targets, either for total emissions or for the year in which the emissions will peak. Others are expressed as a decrease in emissions against the business as usual baseline. The INDC commitments also take the form of a target for emissions intensity or emissions per unit of gross domestic product. Most of the INDCs come with a conditional or contingent component, meaning further reductions in emissions will come with international technology and financial support. This clause of the Paris Agreement is important as international support measures including capacity-building will help emerging ASEAN and Asian economies implement their INDCs in a more ambitious way. For example, Indonesia intends to unconditionally reduce GHG emissions by 29% while also pledging to reduce emissions by up to 41% with the bilateral and multilateral provision of technology, finance, and capacity-building support. Thailand intends to reduce carbon emissions by 20% by 2020. Singapore commits to unconditionally reducing carbon emissions by 36%. The Philippines' INDC outlays plans to reduce carbon emissions by 70% by 2030. This commitment is conditional on international support and will heavily rely on the renewable energy, waste, transport, and forestry sectors. Similar conditional reductions have been made by other ASEM members, such as Bangladesh and Pakistan.

### **TABLE 3.2**

| INDCs of ASEM Members in Asia |   |  |
|-------------------------------|---|--|
| Country                       | INDC Targets  | Scope of INDC Targets  |
| Australia                     | Reduce emissions by 26%–28% by 2030<br>(reference year: 2005).  | Targets include energy, industrial processes<br>and product use, waste, agriculture, and<br>LULUCF sectors.  |
| Brunei<br>Darussalam          | Reduce energy consumption by 63% by 2030 (reference: BAU).  | Reduce CO <sub>2</sub> emissions from morning peak<br>hour vehicle use by 40% by 2035.<br>Increase total forest reserves to 55% of the<br>total land area.   |
| Bangladesh                    | Reduce emissions by 5% by 2030.<br>Conditional reduction (with support<br>from international cooperation)<br>by 15% by 2030 (reference: BAU). | Power, transport, and industry<br>(energy-related) sectors.<br>Conditional targets: energy efficiency and<br>conservation in households and commercial<br>buildings; agriculture (lower methane<br>emissions, waste management). |

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| <b>TABLE 3.2</b> | CONTINUED |
|------------------|-----------|
|------------------|-----------|

| INDC Targets   | Scope of INDC Targets  |
|--|--|
| ditional reduction in emissions<br>7% by 2030 (reference: BAU).<br>uction of 3,100 gigatonnes of CO <sub>2</sub><br>the baseline of 11,600 gigatonnes<br>O. by 2030 (reference: BAU).  | Emissions reduction by 2030: energy<br>industries, 16%; manufacturing<br>industries, 7%; transport, 3%; other, 1%.<br>Total savings, 27%.  |
| uce emissions intensity by 60%-65%<br>030 (reference year: 2005).  | Increase forest stock volume by around 4.5 billion cubic metres from the 2005 level.   |
| ditional reduction in emissions<br>nsity by 33%-35% by 2030<br>erence year: 2005).   | An additional carbon sink of<br>2.5 billion-3 billion tonnes of CO <sub>2</sub><br>equivalent through additional forest and<br>tree cover by 2030.   |
| uce emissions by 29% with<br>ditional reduction by 41% by 2030<br>erence: BAU).  | 12.7 million hectares of forest area has been designated for forest conservation.  |
| uction by 26% by 2030<br>erence year: 2013).   | Reduction target from LULUCF of 37 million tonnes of CO <sub>2</sub> equivalent.   |
| reduction in emissions by 2030.<br>ditional reduction by 25% by 2030<br>oject to additional international<br>stments, access to low-carbon<br>inologies transfer mechanism,<br>n climate funds, and flexible<br>hanisms) (reference year: 1990). | Economy-wide.<br>All sectors (energy, agriculture, waste,<br>land-use change, and forestry).   |
| ease share of small-scale renewable<br>gy to 30% of energy consumption<br>030, estimated to reduce<br>ssions by 1,468,000 kilotonnes of<br>by 2025.  | Increase forest cover to 70% of land area by 2020.   |
| uce emissions intensity by 35% with<br>ditional reduction by 45% by 2030<br>erence year: 2005).  | Targets include the energy, industrial processes, waste, agriculture, and LULUCF sectors.  |
| reduction in economy-wide<br>ssions by 2030 (reference: BAU).  | Economy-wide.<br>Mitigation in the forestry sector to reduce<br>emissions from deforestation and forest<br>degradation by 2% by 2020 and 5% by 2030.   |
| 030, boost hydropower<br>acity by 9.4 gigawatts to achieve<br>I electrification using at least<br>renewable energy sources.<br>and forest area to 30% by 2030.   | Reserved forest and protected public forest:<br>30% of total national land area.<br>Protected area systems: 10% of total<br>national land area.  |
| uce emissions by 30% by 2030<br>erence year: 2005).  | Continue to achieve a rate of energy intensity improvement of 1.3% per annum.  |
|  | ditional reduction in emissions<br>7% by 2030 (reference: BAU).<br>uction of 3,100 gigatonnes of CO <sub>2</sub><br>the baseline of 11,600 gigatonnes<br>O <sub>2</sub> by 2030 (reference: BAU).<br>uce emissions intensity by 60%–65%<br>030 (reference year: 2005).<br>ditional reduction in emissions<br>nsity by 33%–35% by 2030<br>erence year: 2005).<br>uce emissions by 29% with<br>ditional reduction by 41% by 2030<br>erence: BAU).<br>uction by 26% by 2030<br>erence year: 2013).<br>reduction in emissions by 2030.<br>ditional reduction by 25% by 2030<br>ject to additional international<br>stments, access to low-carbon<br>nologies transfer mechanism,<br>n climate funds, and flexible<br>hanisms) (reference year: 1990).<br>ease share of small-scale renewable<br>gy to 30% of energy consumption<br>030, estimated to reduce<br>sisions by 1,468,000 kilotonnes of<br>by 2025.<br>uce emissions intensity by 35% with<br>ditional reduction by 45% by 2030<br>erence year: 2005).<br>reduction in economy-wide<br>sisions by 2030 (reference: BAU). |

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| Country              | INDC Targets  | Scope of INDC Targets   |
|----------------------|---|---|
| Pakistan             | GHG emissions in 2030 from energy,<br>industrial processes and products<br>use, agriculture, LULUCF, and waste<br>projected at 1,603 megatonnes of CO <sub>2</sub><br>– an increase of 295% from 2015.<br>Reduction of up to 20% of its<br>2030-projected GHG emissions is<br>possible subject to the availability of<br>international grants. Total abatement<br>cost for the indicated 20% reduction<br>amounts to US\$40 billion at<br>current prices.<br>Pakistan's adaptation needs range<br>between US\$7 billion and US\$14 billion<br>per annum towards 2030. | Capacity-building needs identified for<br>mitigation and identification of priority<br>areas for adaption.  |
| Philippines          | Conditional reductions of up to 70% by 2030 (reference: BAU).   | Targets cover all sectors (energy, industrial processes and products use, agriculture, including LULUCF).   |
| Republic<br>of Korea | Reduce emissions by 37% by 2030 (reference: BAU).   | Reduce energy intensity by 46% between 2007 and 2030.   |
| Russia               | 70%–75% reduction by the year 2030<br>might be a long-term indicator,*<br>subject to the maximum possible<br>absorbing capacity of forests<br>(reference year: 1990).   | Economy wide.<br>All sectors: (energy, industrial processes<br>and products use, agriculture, LULUCF).<br>Limiting GHG emissions to 70%–75% of<br>1990 levels by the year 2030 is possible<br>if the contribution of Russian forests is<br>fully taken into account, as it corresponds<br>to the general objectives of land use and<br>sustainable forest management.<br>Russia accounts for 70% of boreal forests<br>and 25% of the world's forest resources.<br>Forest management is one of the most<br>important elements of policy for reducing<br>GHG emissions. |
| Singapore            | Reduce emissions intensity by 36% by 2030 (reference year: 2005).   | Energy intensity improvement target of 35% by 2030 (from 2005 levels).  |
| Thailand             | Reduce emissions by 20% with<br>conditional reduction by 25% by 2030<br>(reference: BAU).   | Reduce energy intensity by 25% by 2030.   |
| Viet Nam             | Reduce emissions by 8% with<br>conditional reduction by 30% by 2030<br>(reference: BAU).  | Forest cover will increase to the level of 45%.   |

#### TABLE 3.2 CONTINUED

ASEM = Asia-Europe Meeting, BAU = business as usual, GHG = greenhouse gas, INDC = intended nationally determined contribution, LULUCF = land use, land-use change, and forestry.

\* The final INDC will be submitted pursuant to the outcome of the negotiating process underway and the INDCs announced by major emitters of GHGs.

Source: UNFCCC (2016), Updated Synthesis Report on the Aggregate Effect of INDCs - Published 2 May 2016. UNFCCC.

## Participation

The UNFCCC's Updated Synthesis Report on the Aggregate Effect of INDCs of 2016 notes that the INDCs of most Asian countries have moved from project, programme, or sector-based actions towards economy-wide policies and objectives that cover a large number of sectors and GHGs. Countries have provided information that facilitates the clarity, transparency, and understanding of their INDCs. The increasing determination of countries to take national action to combat climate change, together with increasing national capacity, has manifested through the significant number of countries submitting INDCs. However, data gaps and the quality of the information show that further efforts are needed to increase the capacity of many countries to plan, implement, and monitor their climate-related actions.

## **Policies and Institutions**

A significant aspect is that INDCs are already backed by existing national legislation or policies in some countries. Several other countries have initiated national processes to establish relevant policy frameworks. It is noteworthy that several INDCs were subject to public consultation and involved the engagement of a wide range of stakeholders to demonstrate the developmental benefits of action to combat climate change and to secure their buy-in. Information provided by parties highlights the increasing prominence of climate change on national political agendas, driven in many cases by inter-ministerial coordination arrangements as well as by the increasing mainstreaming of climate change in national and sectoral developmental actors in national action to combat climate change change is also evident.

## **Cooperation and Support**

The INDCs submitted by Asian countries show their increasing interest in enhanced cooperation for achieving climate change goals collectively through a multilateral response and for raising ambition in the future. Strengthening finance, technology transfer, and capacity-building support for climate action is necessary for creating an enabling environment and scaling up action.

ASEM members can use their connectivity mechanisms to explore further opportunities for cooperation on addressing climate change under the ambit of the Paris Agreement. Designing connectivity and cooperation activities to foster and promote capacities for fulfilling the INDCs is the way forward for strengthening ASEM connectivity and giving back to the global need for climate action.

## ASEM Connectivity Can Strengthen ASEM Members' NDCs in the Paris Agreement

ASEM has been engaged in bringing its member countries together to share knowledge, support and enhance capacities, and draw results on sustainable development through its connectivity activities. However, ASEM's attention to the objectives of climate action in general, and to the Paris Agreement (and its preceding Lima Action) in particular, is conspicuous by its absence.

There is a dearth of targeted activities in ASEM for supporting member countries to realise their INDCs. Nationally determined contributions (NDCs) are at the heart of the Paris Agreement and the achievement of its long-term goals. They embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. The conditional reduction of emissions has a prominent place in the NDCs of all Asian countries.

ASEM recognises the importance of adequate and predictable financial resources for the implementation of policy approaches and positive incentives for reducing emissions, as listed in the NDCs of developing countries. However, ASEM's connectivity mechanisms are better suited to provide knowledge sharing and cooperation for technology development and transfer, which are vital for supporting the implementation of the agreement. The Climate Technology Centre and Network is supporting further work in member countries relating to technology research, development and demonstration, and development and enhancement of endogenous capacities and technologies. ASEM members can create knowledge frameworks for technology action plans and report their findings to the COP through the Subsidiary Body for Scientific and Technological Advice.

For ASEM connectivity, the Paris Committee on Capacity-building is perhaps the most important platform in the Paris Agreement as it addresses the gaps and needs in implementing capacity-building in developing country parties and also enhances

coherence and coordination in capacity-building activities under the Convention. Cooperation among ASEM members on knowledge sharing and technology development and transfer can be reported to the Paris Committee. This will increase synergies and avoid duplication among existing efforts and also fulfil the need for collaboration among institutions and stakeholders. Activities on climate action held under the aegis of ASEM connectivity can be reported to the Paris Committee for the COPs to be held in 2019 and 2020.

ASEM connectivity will be reshaped and revitalised in 2018. Under the streamlined mechanism, ASEM can align its activities with the annual theme selected by the Paris Committee. The selected theme relates to enhanced technical exchange on capacity-building, with the purpose of maintaining up-to-date knowledge on the successes and challenges in building capacity effectively in that particular area. Education, training and public awareness, public participation, and public access to information are considered to contribute to capacity-building, and ASEM members can choose any or all of these activities to strengthen ASEM's contribution to the Paris Agreement.

Inputs from ASEM will contribute to the annual synthesis report of the Paris Committee on the implementation of the framework for capacity-building in developing countries, and eventually into the secretariat's compilation and synthesis report on capacitybuilding works.

## Taking ASEM towards COP 24

Leading up to COP 24 in Katowice, the UNFCCC's focus is both on scaling up action and delivery on commitments before 2020 and on making progress to allow for the adoption of the outcomes of the Paris Agreement work programme. ASEM can play a strong role in bringing the European and Asian members together for the sharing of knowledge and transfer of technology, which can increase the ability of the developing members to adapt to the changing climate and fulfil their unconditional and conditional NDCs. Countries and governments cannot carry forward the INDCs made to the UNFCCC alone. The Paris Agreement work programme requires international cooperation, and ASEM is well placed to provide it.

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Sendai Framework for Disaster Risk Reduction

## CHANNELLING ASIA-EUROPE CONNECTIVITY FOR REALISING GLOBAL TARGETS

Fauziah Zen and Anita Prakash

## Sendai Framework for Disaster Risk Reduction

## CHANNELLING ASIA-EUROPE CONNECTIVITY FOR REALISING GLOBAL TARGETS

### Fauziah Zen and Anita Prakash

The Sendai Framework for Disaster Risk Reduction 2015–2030, the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change, the Addis Ababa Action Agenda of the third International Conference on Financing for Development, and the Small Island Developing States (SIDS) Accelerated Modalities of Action (SAMOA) Pathway each addresses disaster risk and, when taken together, represent an opportunity to provide a more coherent and integrated international frame for managing risk within sustainable development.

Adopted at the Third United Nations (UN) Conference on Disaster Risk Reduction in Sendai, Japan, in 2015, the Sendai Framework for Disaster Risk Reduction 2015–2030 aligns with the principles driving the broader global response to the 2030 Agenda for Sustainable Development, including the need to effectively support the agenda's universal, integrated, transformative, and people-centred approach and its promise to reduce inequalities and ensure the objective of 'leaving no one behind'.

The Sendai Framework for Disaster Risk Reduction 2015–2030 builds on the achievements and elements established under its predecessor agreement, the 'Hyogo Framework for Action: Building the Resilience of Nations and Communities 2005–2015'. The Sendai Framework is an organic part of the global consensus on multidimensional development that was reached in the Sustainable Development Goals (SDGs) 2030 and the Paris Agreement. Building on these global programmes and its Hyogo predecessor, the Sendai Framework introduces a number of important innovations, including a stronger emphasis on disaster risk management as opposed to disaster management. The Sendai Framework underscores that disaster risk reduction is essential for achieving sustainable development. Ten of the 17 SDGs have targets related to disaster risk, firmly establishing the role of disaster risk reduction in realising the 2030 Agenda for Sustainable Development. Furthermore, in the Paris Agreement, adopted at the 21st Conference of the Parties to United Nations Framework Convention on Climate Change (COP 21) in 2015, member states committed to holding the global average temperature increase to well below 2°C above pre-industrial levels and to pursuing efforts to limit the increase to 1.5°C, with the aim to 'significantly reduce the risks and impacts of climate change'.

## Targets and Directions under the Sendai Framework

Countries have committed to giving a sharper focus to their efforts to reduce disaster risk by setting priorities for action and specific targets that are codified in the Sendai Framework. Understanding disaster risk; strengthening disaster risk governance; investing in resilience; and enhancing disaster preparedness for effective response and to 'build back better' are the four priorities for action for the countries in pursuance of the Sendai Framework's outcomes and goals. The progress that countries make in these areas will be measured against the following seven global targets.

#### Substantially reduce:

- (a) global disaster mortality by 2030, aiming to lower the average per 100,000 global mortality rate in the decade 2020–2030 compared to the period 2005–2015;
- (b) the number of affected people globally by 2030, aiming to lower the average global figure per 100,000 in the decade 2020–2030 compared to the period 2005–2015;
- direct disaster economic loss in relation to global gross domestic product (GDP) by 2030; and
- (d) disaster damage to critical infrastructure and the disruption of basic services, among them health and educational facilities, including through developing their resilience by 2030.

#### Increase and improve:

- (e) the number of countries with national and local disaster risk reduction strategies by 2020;
- (f) international cooperation with developing countries through adequate and sustainable support to complement their national actions for implementation of the framework by 2030; and
- (g) the availability of and access to multi-hazard early-warning systems and disaster risk information and assessments to the people by 2030.

The Sendai Framework has four priorities for action:

- (1) understanding disaster risk;
- (2) strengthening disaster risk governance to manage disaster risk;
- (3) investing in disaster risk reduction for resilience; and
- (4) enhancing disaster preparedness for effective response, and to 'build back better' in recovery, rehabilitation, and reconstruction.

The United Nations Office for Disaster Risk Reduction (UNISDR) estimates that without a radical change in course to ensure that the costs – both economic and in terms of human lives – are addressed through preventative measures, disasters will significantly set back the development gains in affected countries and hamper the prospect of achieving the SDGs. Disaster risk reduction as an integrating element within the 2030 Agenda for Sustainable Development represents such a change in course. The UNISDR Strategic Framework 2016–2021 recommends that integrating disaster risk reduction across the UN system's efforts in support of the 2030 Agenda provides a practical and tangible bridge between the development and humanitarian communities, as well as an important rallying point for key stakeholders, including civil society and the private sector, who are highly motivated and essential participants in reducing disaster and climate risk at the global, regional, national, and local levels.

The Sendai Framework and the UN Plan of Action on Disaster Risk Reduction for Resilience provide system-wide and joint approaches for integrating disaster risk reduction and climate change adaptation in the development programmes of the UN as well as the national and regional plans that have been put in place to achieve the targets of Agenda 2030, COP 21, Africa 2063, and other global developmental programmes.

The revised 'UN Plan of Action on Disaster Risk Reduction for Resilience: Towards a Risk-informed and Integrated Approach to Sustainable Development' was prepared in light of the new international agreements and changing operational context, in particular, to ensure coherence with respect to climate change risk and the broader 2030 Agenda for Sustainable Development, as well as to address the challenges identified in progress reviews. It is aimed particularly at bringing the member countries to adopt coherent approaches for measuring the loss and damage of disasters and climate change. It is designed to contribute to monitoring progress in integrating risk reduction and climate change adaptation in global developmental programmes. The revised UN Plan of Action is the contributes to a risk-informed and integrated approach to the achievement of the 2030 Agenda. It addresses the need for coherence and mutual re-enforcement of the UN's resilience building efforts and seeks to more effectively integrate UN operational preparedness and response capacities into national operational and capacity development arrangements. The revised UN Plan of Action has added emphasis on country- and local-level engagement to ensure responsiveness to the different country needs and contexts with regard to disaster risk reduction.

## Europe's Contribution to the Sendai Framework's Goals

The European Union (EU) has played a leading role in the negotiations of the new framework, and many of the Sendai recommendations are based on existing EU disaster risk management policies and programmes, including most of the ongoing civil protection, development cooperation, and humanitarian aid actions. There are also several links to other EU policies, including climate change adaptation, critical infrastructure protection, flood risk management, water and biodiversity protection, research and innovation, and global health security, food, and nutrition security. The European Commission's Action Plan on the Sendai Framework for Disaster Risk Reduction 2015–2030 states that translating the Sendai Framework into tangible actions should be done in coherence with other 2015 and 2016 international agreements and processes, including the 2030 Agenda for Sustainable Development.

A mapping analysis of the EU's policies against the four framework priorities shows that while several policy initiatives are already contributing to implementing the Sendai Framework in a fragmented way, a more systematic risk-informed approach for all EU policies in order to meet the Sendai objectives is still under progress. The EU has proposed that a risk-informed approach for EU policies could consist of four key areas related to the four Sendai priorities. Each of these key areas identifies a series of measures that could form the backbone of an EU risk-informed policy landscape.

## Significant European Programmes for the Sendai Framework

According to the European Commission's Action Plan on the Sendai Framework, the European Commission is updating its first cross-sectoral overview of risks in the EU. This will be followed by a risk management capability assessment conducted by each EU member state at the national or, as appropriate, the subnational level.

### **TABLE 4.1**

| Mapping Analysis of EU Policies against the Four Sendai Framework Priorities  |  |  |  |
|---|--|--|--|
| Priority Action   | Key Area   | EU Policy Measures   |  |
| 1. Understanding<br>disaster risk   | Building risk<br>knowledge in<br>EU policies   | Collection and sharing of baseline loss and damage data.<br>Use foresight, scenarios, and risk assessments for better<br>preparedness for existing, emerging risks, and new types of risks.<br>Engage with the research community to better address disaster<br>risk management knowledge and technology gaps; encourage a<br>stronger science-policy interface.   |  |
| <ol> <li>Strengthening<br/>disaster risk<br/>governance<br/>to manage<br/>disaster risk</li> </ol>  | An all-of-society<br>approach for<br>disaster risk<br>management                       | <ul> <li>Explore educational measures to reduce disaster risks.</li> <li>Exchange good practices in disaster management policy and operations; learning and review.</li> <li>Engage stakeholders; develop strategies for risk awareness addressing the most vulnerable groups (children, youth, elderly, persons with disabilities, and indigenous people).</li> <li>Cooperate with the private sector; encourage business-driven innovation for disaster risk management.</li> <li>Strengthen links between disaster risk management, climate change adaptation, and biodiversity strategies.</li> <li>Reinforce links between disaster risk management, climate change adaptation, and urban policies and initiatives.</li> <li>Support the development of inclusive local and national DRR strategies; active engagement of local governments, communities, and civil society.</li> <li>Assist regional organisations in the development of national and regional platforms for DRR.</li> </ul> |  |
| 3. Investing<br>in DRR for<br>resilience  | Promoting EU<br>risk-informed<br>investments   | <ul> <li>Promote risk-informed investments in all EU external financial instruments, and multilateral and bilateral development assistance.</li> <li>Track investments in DRR in all humanitarian and development assistance programmes.</li> <li>Promote risk-proofed investments in the EU; including the Investment Plan for Europe.</li> <li>Promote the use of mechanisms for disaster risk financing, risk transfer and insurance, risk-sharing, and retention.</li> <li>Foster and implement an ecosystem-based approach to DRR.</li> </ul>   |  |
| 4. Enhancing<br>disaster<br>preparedness<br>for effective<br>response,<br>and to 'build<br>back better"<br>in recovery,<br>rehabilitation,<br>and<br>reconstruction | Supporting the<br>development of<br>a holistic disaster<br>risk management<br>approach | Integration of cultural heritage in the national DRR strategies<br>developed by EU member states.<br>Enhance preparedness and response capacities for disasters<br>with health consequences; cooperation between relevant health<br>authorities and stakeholders.<br>Capacity-building of local and national authorities and<br>communities in managing disaster risk.<br>Integration of transnational detection and early-warning and alert<br>systems for better disaster preparedness and response action.<br>Integrate 'build back better' objective into assessment<br>methodologies, projects, and standards for disaster risk<br>management and resilience.   |  |

DRR = disaster risk reduction, EU = European Union.

Source: European Commission (2016).

The EU has created a multiple-point action programme to coincide with its existing knowledge, research, programmes, and international cooperation that can directly or indirectly contribute to the implementation of the four priority actions of the Sendai Framework.

Risk assessment and mapping requirements have been included in a number of legislative instruments, including policies implemented by the European Structural and Investment Funds. Other important policies, practices, and programmes that cover several of the Sendai Framework recommendations, in particular the role of science and technology, that Europe can showcase in its action plan for cooperation in the implementation of the Sendai Framework are the following:

- Index for Risk Management, an open-source risk assessment tool developed to support decisions about crisis and disaster prevention, preparedness, response and resilience;
- Disaster Risk Management Knowledge Centre, for strengthening the interface between science and policy and contributing to research on hazard modelling, forecasting and early-warning systems, risk-standard setting, and risk assessment methodologies, etc.;
- Horizon 2020 Framework Programme for Research and Innovation;
- European Climate Adaptation Platform, for information on risks and vulnerabilities and on disaster risk reduction;
- Water Information System for Europe;
- Biodiversity Information System for Europe;
- Critical Infrastructure Warning Information Network;
- Ongoing research actions in the Joint Research Centre;
- EU Framework Programmes for Research and Innovation; and
- Copernicus Programme, which covers several of the Sendai Framework recommendations, in particular the role that science and technology play globally in risk reduction actions.

Disaster risk management considerations have been integrated in a number of EU policies, such as cohesion, transport and energy, research and innovation, climate change adaptation, critical infrastructure protection, cross-border health threats, internal security, development cooperation, external conflict prevention and crises resolution, green infrastructure, integrated coastal management, agriculture, environmental protection, biodiversity, food and nutrition security, water, flood risk management, and major industrial accident prevention. New policies are being developed in a sustainable way to minimise damage from disasters; for instance, the revised Environmental Impact

Assessment Directive is mainstreaming the concept of disaster and climate change proofing in all new project developments in Europe; the Offshore Directive includes provisions for limiting the consequences of accidents through risk assessment and management actions; and the trans-European transport networks and energy infrastructure guidelines include provisions to make sure that all transport and energy projects to be developed are climate and disaster resilient.

The European Commission has a €7.5 million joint initiative with UNISDR and UN-Habitat. The initiative is called 'Making Cities Sustainable and Resilient: Implementing the Sendai Framework for Disaster Risk Reduction 2015–2030 at the Local Level'. It aims to improve the understanding of, and the capacity to address, disaster risks at the local level, including in crisis-prone cities, to support national and local disaster risk reduction and climate change adaptation strategies. This programme is of special significance in the context of Asia-Europe cooperation as UN-Habitat will focus on building local capacities in crisis-prone cities and support humanitarian partners, while UNISDR will address resilience in locations that are highly exposed and have institutional capacity gaps, such as least developed countries.

The Global Climate Change Alliance (GCCA) supports 51 programmes in 38 countries, mainly least developed countries (LDCs) and Small Island Developing States (SIDS), in their endeavours to adapt to climate change. With the new Multiannual Financial Framework 2014–2020, the new phase and EU flagship initiative, GCCA+, has a budget of about €350 million. The GCCA+ focuses on policy dialogue and technical and financial support for the implementation of national climate change adaptation and mitigation policies, with a stronger emphasis on the binding role of knowledge management and communication. It supports vulnerable countries, mainly LDCs and SIDS, by increasing their resilience to adapt to climate change and enhancing the mitigation co-benefits.

Outside of the EU, Norway established its national platform for disaster risk reduction (Samvirkeområdet natur) in September 2011. The platform is set up as an authority network of governmental agencies and other stakeholders focusing on natural hazards (geological and hydro-meteorological).

A national risk assessment concluded that extreme weather and landslides are among the hazards most likely to affect Norway and that they can have severe consequences. The Arctic climate in the north gives an extra dimension for presenting hazards, which may increase with climate change. The national platform will provide a forum for better coordination and information exchange between different sectors and different governmental levels. Disaster risk reduction in Norway is organised in accordance with the principles of responsibility, similarity, and subsidiarity. According to these principles, disaster risk reduction is integrated into all levels of planning and in all sectors. The municipal level plays a key role in implementing disaster risk reduction policies as it has the main responsibility for emergency preparedness as well as prevention through land-use planning. A network group of government authorities is responsible for the day-to-day activities of the platform and for information exchange with the participating agencies.

The national platform is coordinated by the Directorate for Civil Protection, which also has the secretariat for the Norwegian Climate Adaptation Programme. The platform is organised in close affiliation with the climate adaptation programme. The mandate for the national platform was decided at the first Steering Group meeting on 15 October 2011. It is based on the priorities of the Hyogo Framework for Action and includes climate change adaptation. The platform is expected to define further the activities relevant for strengthening cooperation within the priorities of the mandate.

Switzerland is internationally renowned for its expertise in disaster risk reduction. The Swiss Agency for Development and Cooperation is leveraging its partnerships with other units in the Federal Administration to transfer this knowledge to its partner countries. It has joined forces with the Federal Office for the Environment, the Federal Office for Civil Protection, and the State Secretariat for Economic Affairs, as well as a number of nongovernment organisations, the private sector, various universities, and the Swiss National Platform for Natural Hazards (PLANAT). PLANAT is a governmental structure and consists of 18 specialists coming from all regions of Switzerland. Representatives from the Federal Central Government, cantons, the research community, professional associations, the private sector, and insurance companies are members. PLANAT works towards a long-term shift from fighting natural hazards to developing a risk culture. The committee promotes the shift from solely averting danger to a riskinformed and competent way of dealing with risks. It makes sure that measures are being taken that are ecologically compatible, socially just, economically efficient, and, therefore, sustainable. PLANAT builds on the synergies gained through the exchange of knowledge and experience on a national level as well as on the international level.

## The Road Ahead

To guide Europe's implementation of the four priorities of action and the seven global targets of the Sendai Framework, the European Forum for Disaster Risk Reduction (EFDRR) agreed to develop a roadmap with a focus on activities for the immediate period of 2015–2020 and an overview for the entire 15-year span of the framework. The EFDRR Road Map has prioritised two areas of focus:

- (1) The development or review of national and local-level strategies for disaster risk reduction corresponding to the goal of substantially increasing the number of countries with national and local disaster risk reduction strategies by 2020. Risk assessments and disaster loss databases have been identified as essential building blocks for the development of national and local strategies.
- (2) The integration and mainstreaming of disaster risk reduction in the following focus areas: climate change, environment, the private sector, health, and the needs of persons with disabilities at the national and local levels.

Europe has the richness of policies, programmes, and a knowledge bank on the priority action points of the Sendai Framework. The challenge ahead is to share these assets with other global and regional partners in order to fulfil the global mandate of the framework. It is also important to note that in the Asia-Europe Meeting (ASEM) context, Asia requires greater cooperation from its partners outside the region. And yet, preparatory work for implementation of the Sendai Framework has been able to instil a sense of innovation and cooperation among the countries in Asia.

## Asia's Plan for Achieving the Sendai Framework Targets

Asia is exposed and vulnerable to a wide range of natural and man-made hazards. In many respects, it is the global epicentre for disasters. In 2015, the Nepal earthquake killed more people than any other disaster (8,831). The drought in the Democratic People's Republic of Korea affected the food security of more than 18 million people. Four of the top five most-disaster-hit countries<sup>1</sup> were in Asia: China (26 disasters),

<sup>&</sup>lt;sup>1</sup> As reported by the Centre for Research on the Epidemiology of Disasters (CRED). CRED defines a disaster as one of the following having occurred: 10 or more people are reported killed; 100 or more people are reported affected; a state of emergency is declared; and/or a call for international assistance is made.

India (19), the Philippines (15), and Indonesia (11). In terms of economic losses, China, India, and Nepal were among the five worst-hit countries in the world. These figures are consistent with longer-term trends over recent decades.

During the implementation of the Hyogo Framework for Action 2005–2015, it was evident from national and regional progress reports that countries in Asia made initial progress in reducing disaster risk at all levels. In particular, the region moved forward on dedicated legislation, policies, and the establishment of institutions for reducing disaster risk; the establishment of tsunami, cyclone, and other hydro-meteorological early-warning systems; improvements in information generation and dissemination, awareness-raising, and school education on disaster risk reduction; and strengthened disaster preparedness and response capacity response at all levels. This has led to a decrease in mortality risk, particularly from hydro-meteorological hazards.

The region has, however, struggled to reduce the underlying risk factors. Rapid and poorly managed urbanisation, natural resource exploitation, and increasing social inequalities, among other risk factors, have increased risk levels. The underlying risk drivers are either not well identified and understood or inadequately addressed because of capacity constraints, lack of priority, or a scarcity of resources.

Countries in Asia understand their vulnerability to disasters well. This understanding resonates in the level of cooperation and consultations for disaster risk reduction and disaster management. The Sendai Framework emphasises the cooperation aspect in its seven goals, and Asian countries have grouped together to create a regional plan to guide and facilitate the framework.

At the subregional level, the Association of Southeast Asian Nations (ASEAN) Vision 2025 on Disaster Management (ASEAN, 2018) sets the strategic direction for the implementation of the ASEAN Agreement on Disaster Management and Emergency Response. The Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management is another regional programme that contributes to disaster risk reduction in Asia Pacific. At the 6th Asian Ministerial Conference for Disaster Risk Reduction in June 2014 and the ISDR Asia Partnership (IAP)<sup>2</sup> deliberations after the Third UN World Conference on Disaster Risk Reduction, Asian countries and stakeholders agreed to develop an 'Asia Regional Plan for Implementation of the Sendai Framework' (regional plan) to facilitate cooperation and collaboration for building risk resilience in Asia. This regional plan aims to provide the following:

- policy direction to guide the implementation of the Sendai Framework in the context of the 2030 sustainable development agendas in the region;
- a long-term road map, spanning the 15-year horizon of the Sendai Framework and outlining a chronological pathway for the implementation of priorities to achieve the seven global targets; and
- a two-year action plan, with specific activities that are prioritised based on the longterm road map and in line with the policy direction.

The Asia Regional Plan seeks to guide and support the national implementation of the Sendai Framework but is not a replacement of national plans. It identifies the priorities in regional activities to support national and local actions and enhance the exchange of good practices, knowledge, and information among governments and stakeholders in addition to strengthening regional cooperation for supporting the implementation of the Sendai Framework.

## Road Map for Implementation of the Sendai Framework in Asia

The 15-year timeframe of the Sendai Framework together with other international frameworks, including the SDGs, provides an opportunity for greater coherence and integration in terms of planning, implementation, and monitoring. By providing guidance towards the achievement of the Sendai Framework's seven global targets and by presenting a set of intended results in chronological order, the Road Map contributes to this process of mutual reinforcement in Asia. The Road Map fits within the overarching policy direction and will steer the two-year action plan.

<sup>&</sup>lt;sup>2</sup> The IAP is an informal multi-stakeholder forum of Asian governments and stakeholders for facilitating disaster risk reduction through the implementation of the Hyogo Framework for Action 2005–2015 and the Sendai Framework for Disaster Risk Reduction 2015–2030. The IAP has been the main consultation forum for the Asia Ministerial Conferences (regional platform) in Asia. The forum includes regional intergovernmental organisations, governments, civil society organisations, UN and international organisations, and bilateral and multilateral donors. The forum meets twice a year.

The milestones listed below are based on a shared vision across Asia towards risk prevention and resilience-building that will achieve the global targets of the Sendai Framework. The milestones are sequenced in such a way as to enable this. The earlier milestones – such as the development and establishment of countries' disaster risk management status, disaster damage and loss databases, and national and local strategies and plans (target [e]) – are relevant for other targets, namely a reduction in mortality, people affected, economic losses, and the losses of critical infrastructure and services.

The regional plan will support progress towards all Sendai targets, especially target (f) for enhanced international cooperation. It also facilitates the achievement of target (g) for the strengthening of transboundary early-warning systems and the sharing of disaster risk information. The key milestones of the Road Map are as follows.

### By 2016

- Translation and dissemination of the key messages and essence of the Sendai Framework in national languages to increase awareness.
- (2) All countries have identified their Sendai Framework focal points.
- (3) Twenty percent of countries take stock of their current status of disaster risk reduction.

The Asian Ministerial Conference for Disaster Risk Reduction agreed on the implementation of the Asia Regional Plan for the implementation of the Sendai Framework as one of the outcomes of the conference.

### By 2018

- (1) Technical guidance by UNISDR for the national indicators is finalised with a link to SDG targets and indicators.
- (2) Fifty percent of countries have prepared designs for establishing national mechanisms for collecting, analysing, and disseminating information on disaster losses and risk aiming to achieve appropriate levels of disaggregation for gender, age, and disability.
- (3) Forty percent of countries have revised or developed their national strategies and plans for disaster risk reduction in line with Sendai target (e).
- (4) Fifty percent of countries have reviewed their initial progress towards the implementation of the Sendai Framework through the Sendai Monitor.
- (5) Forty percent of countries have established multi-sectoral and multi-stakeholder national and local platforms for fostering dialogue and cooperation between governments, the science and technology community, and other stakeholders for risk-sensitive development and innovative risk management.

(6) Ten percent of countries have developed regulatory or policy frameworks for reinforcing risk considerations and risk reduction measures in development initiatives, particularly in the infrastructure sector.

### By 2020

- (1) All countries have established methodologies for collecting disaster loss data and risk profiles, with gender, age, and disability-disaggregated data.
- (2) All countries have revised or developed their national strategies and plans for disaster risk reduction, with an increased focus on local actions and achieving Sendai Framework target (e).
- (3) Thirty percent of countries have developed regulatory or policy frameworks to reinforce risk considerations and risk reduction measures in development initiatives, in particular in the infrastructure sector.
- (4) Sixty percent of countries have established multi-sectoral and multi-stakeholder national and local platforms.
- (5) Biennial reviews of regional targets under the Asian Regional Plan from 2022 to 2028.

### By 2022

- (1) Fifty percent of countries have developed regulatory or policy frameworks for reinforcing risk considerations and risk reduction measures in development initiatives, in particular in the infrastructure sector.
- (2) Sixty percent of countries have improved their early-warning systems, including improved monitoring and forecast systems, evacuation procedures and analyses of risk, and availability and access to early-warning information.
- (3) All countries have established multi-sectoral and multi-stakeholder national and local platforms.

### By 2030

- All countries have demonstrated reductions in disaster-related mortality, affected population, and economic losses and damages to critical infrastructure and basic services.
- (2) All countries have reviewed their implementation progress through the Sendai Monitor.
- (3) A regional review report of the Sendai Framework is available.
- (4) All countries have risk-sensitive development planning and practices.

- (5) All countries have improved their governance and accountability for risk-resilient investment in both the public and private sectors.
- (6) Subregional and regional cooperation mechanisms have been established for transboundary disaster risk reduction efforts.

## Two-year Action Plan (2017-2018)

The two-year action plan is in line with the policy direction and contributes to the achievement of the milestones in the long-term road map. The action plan is derived from priorities shared by governments and stakeholders during the development of the Asia Regional Plan and in consultations through the IAP. It consists of regional-level actions and national and local-level actions. The components of the two-year action plan are meant to establish and strengthen collaborative mechanisms for the implementation and monitoring of the Sendai Framework in line with the SDGs, complement the national disaster risk reduction strategies of countries, and provide guidance on the setting of priorities.

The two-year action plan will be reviewed and updated in line with the biennial Asian Ministerial Conferences and through the IAP forum.

## Implementation Status of the Sendai Framework in Asia

The Asian Ministerial Conference on Disaster Risk Reduction held in Ulaanbaatar in April 2018 resolved to work with partner organisations and stakeholders to implement the Action Plan 2018–2020 of the Asia Regional Plan for Implementation of the Sendai Framework and update on the progress through the IAP Forum.

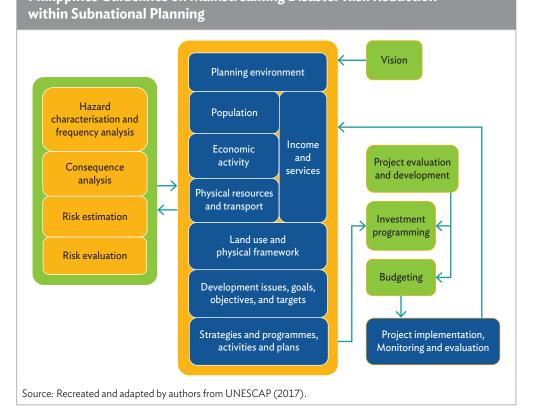
The Action Plan 2018–2020 is based on the assessment of progress in the implementation of the Asia Regional Plan. It is in line with the overall policy direction and contributes to the achievement of the milestones in the long-term road map, with a particular focus on the milestones set for 2020. The Action Plan 2018–2020 is founded on the recommendations and priorities shared by governments and stakeholders through multiple consultations, including through the IAP Forums.

## ASEAN's Special Role in the Implementation of the Sendai Framework

ASEAN countries have shown a specific commitment towards the implementation of the Sendai Framework through their own ASEAN 2025 Vision on Disaster Management. The ASEAN Agreement on Disaster Management and Emergency Response sets the foundation for regional cooperation, coordination, technical assistance, and resource utilisation in all aspects of disaster management and emergency response.

Individual member countries have provided guidelines for specific goals of the Sendai Framework that can be upscaled and implemented in other national and regional plans for disaster risk management. In this regard, contributions from the Philippines, Indonesia, and Viet Nam are good examples. The Philippines is among the few countries that have issued structured guidelines for mainstreaming disaster risk management within subnational planning and development.

#### **FIGURE 4.1**

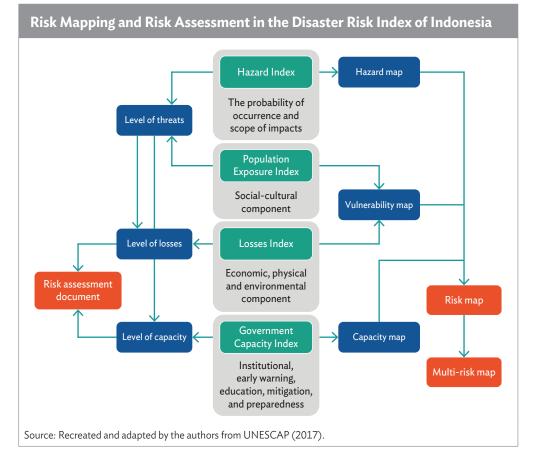


## Philippines Guidelines on Mainstreaming Disaster Risk Reduction

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Similarly, Indonesia has developed multi-hazard risk maps for all provinces, districts, and municipalities of the country based on the assessed hazards, vulnerabilities, and capacities. The Indonesian National Board for Disaster Management (BNPB) has used this information to produce the composite Disaster Risk Index for Indonesia. The index provides information on the level of various disaster risks in each district and municipality to enable appropriate investment decisions for mitigation.

#### **FIGURE 4.2**



Viet Nam leads the legislative process of mainstreaming disaster risk reduction into its sectoral and local development plans. Article 42 of the Vietnamese Law on Natural Disaster Prevention and Control defines the disaster risk reduction-specific responsibilities of 12 sectoral ministries, while Article 43 mandates the provincial and district People's Committees with the responsibility to integrate natural disaster prevention into local socio-economic development master plans.

## Asia-Europe Connectivity Can Realise the Implementation of the Sendai Framework's Goals

On 14–15 September 2016, the Ministry of Agriculture and Rural Development and the Ministry of Foreign Affairs of Viet Nam jointly held the ASEM High-level Meeting on 'Disaster Risk Reduction and Management: Innovation and Technology for Resiliencebased Sustainable Development' in Da Nang, Viet Nam.

The importance of this meeting for ASEM members was reflected in the participation of more than 100 delegates from ASEM members, including senior policymakers, national and local government officials and experts from ASEM partners, disaster managers, researchers, and practitioners and representatives from international and regional organisations, international humanitarian assistance organisations, NGOs, and businesses.

This initiative was co-sponsored by the European Union, Belgium, India, Luxembourg, the Netherlands, Norway, and the Philippines. The meeting provided a platform for ASEM partners to exchange best practices and consolidate proposals for enhancing cooperation in the application and utilisation of innovation and technology in disaster risk reduction and management to support the achievement of the goals of the Sendai Framework for Disaster Risk Reduction 2015–2030, the UN's 2030 Agenda for Sustainable Development, and the Paris Climate Agreement.

The recommendations of this meeting were reported to the 13th ASEM Foreign Ministers' Meeting in Myanmar in 2017 and will be brought to the ASEM leaders at the 12th ASEM Summit in Brussels.

The Da Nang meeting recommendations lay down the pathway for ASEM cooperation in the implementation and monitoring of the Sendai Framework goals, the SDGs, and the Paris Agreement. ASEM could adopt the Da Nang Outcomes as the guiding principles for joint action in the implementation of these global programmes for sustainable development. The Da Nang outcomes underline the need to strengthen cooperation between ASEM partners in disaster risk reduction, management, preparedness, and relief through the sharing of knowledge and experience, as well as the exchange of best practices, especially in innovation and technology, to promote resilience-based sustainable development. Preparedness on the Asian side is encouraging, as seen in the Action Plan 2018–2020 for the implementation of the Sendai Framework in Asia,

adopted at the ministerial conference in Mongolia. Europe is committed to disaster risk reduction and management. The EU has substantial expertise in the area of prevention, preparedness, and response, which it is willing to share among ASEM partners.

ASEM members, therefore, stressed the importance of enhancing cross-cutting collaborations among stakeholders in Asia and Europe through reinforcing existing networks and scientific research institutions in order to facilitate a science-policy interface for effective decision-making in disaster risk reduction and management. Most importantly, the Da Nang meeting underscored the need to bring together disaster risk reduction and management, climate change, and sustainable development into a resilience framework with clear performance metrics.

The Da Nang meeting agreed on a number of non-binding recommendations for enhancing cooperation among ASEM partners in disaster risk reduction and management:

- (1) collaborative use of science and technology for effective and transparent decision and policymaking in disaster risk reduction and management;
- (2) strengthening Asia-Europe cooperation and dialogue on innovative tools for resilience-based sustainable development;
- (3) strengthening cooperation on investment in innovative technology and raising awareness for resilient communities; and
- (4) innovative disaster risk reduction financing for sustainable development.

These recommendations will allow ASEM partners to enhance the technical and scientific capacity of local and national stakeholders in disaster risk reduction and management to enable the integration of the relevant tools and implement measures for disaster risk reduction and climate change adaptation and mitigation at the local, national, and regional levels. National governments across ASEM can facilitate joint data collection and an open data sharing policy for transparent, accessible, accurate, and reliable disaster risk information to enable successful disaster management. Accessible, accurate, and reliable scientific data and information will be the outcomes of such cooperation.

ASEM partners can further enhance cooperation between networks, scientific communities, policymakers, disaster managers, emergency responders, and government officials, and partnerships with the private sector and enterprises, to enable a strong science-policy interface for effective, timely, and informed decision-making and policymaking across ASEM partners. The prospective partners are outlined in the respective Action Plans of the EU and Asia. Asia-Europe connectivity can be deepened through a network of relevant experts, scholars, and academics who carry out joint research and cooperate in science, technology, and innovation for disaster risk reduction and management focusing notably on early warning, data collection and processing exploitation, sharing and communication, and risk modelling. Mutual learning and cooperation among research communities, practitioners, and governments will contribute to existing platforms for information sharing on disaster risk management, including the European Commission's Disaster Risk Management Knowledge Centre.

ASEM partners can represent both regions in the Sendai Framework process and help broaden the scope of the framework beyond natural disasters to include technological risks and man-made hazards in disaster and multi-hazard risk assessment and management. ASEM connectivity mechanisms can be used to promote the full and equal participation and representation of women and girls in disaster risk reduction. Developing education, learning, and skill development opportunities for increasing girls' and women's participation in innovation and the development of new technology for disaster risk reduction and management in ASEM member states would be one of the most valuable and lasting contributions of ASEM to the Sendai Framework.

ASEM can also promote the use of effective mechanisms for disaster risk transfer and insurance solutions for vulnerable people and assets. Enabling accurate risk estimation partnerships is as important as, if not more important than, partnerships in science and technology.

The Da Nang outcomes encourage ASEM's connectivity processes to deepen and broaden Asia-Europe cooperation for the implementation of the Sendai Framework goals. They also encourage ASEM to embark on a coherent and integrated approach to the global development programmes, where Asia and Europe synergise their efforts and resources.

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## Leave No One Behind

ASEM CONNECTIVITY ACTIVITIES CAN SUPPORT THE GOALS OF THE ISTANBUL AND VIENNA PROGRAMMES OF ACTION AND SAMOA PATHWAY

Leeber Leebouapao and Anita Prakash

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G lobal sustainable development programmes are to be implemented within national policies. Geography, natural circumstances, and socio-economic priorities will shape countries' approaches to reaching the targets of the 2030 Agenda, fulfilling the intended nationally determined contributions (INDCs) in the Paris Agreement, and taking effective action towards the goals of the Sendai Framework.

Least developed countries (LDCs), landlocked least developed countries (LLDCs), and the Small Island Developing States (SIDS) face particular challenges in reaching the goals of the 2030 Agenda and other global programmes for sustainable development because of a combination of their geographic features, availability of resources, demography, weather, and economic vulnerabilities. The development prospects of these countries are constrained not only by socio-economic impediments but also often by their adverse geographical locations. This is particularly true for landlocked countries and small island countries. Some of them are especially susceptible to environmental changes and natural calamities.

The LDCs represent the weakest segment of the international community. They comprise more than 880 million people, about 12% of the world's population, but account for less than 2% of the world's gross domestic product and about 1% of global trade in goods.

The imperatives for reaching the 2030 goals together with the LDCs are greater than ever before. LDCs are far more likely to be left behind if the support and attention of developed countries, larger developing countries, and international organisations are not placed behind the Istanbul Programme of Action, the Vienna Programme of Action, the Almaty Plan of Action, and the SIDS Accelerated Modalities of Action (SAMOA) Pathway. The physical, institutional, and socio-economic pillars of Asia-Europe Meeting (ASEM) connectivity are well placed to support the activities of LDCs in these development programmes and help narrow the development gaps among member countries to make global growth inclusive.

Given the unique individual efforts and global partnerships required by these countries for reaching the global development goals, they are now grouped as Countries with Special Needs.

## Global Programmes of Action for Least Developed Countries

The LDC category was officially established in 1971 by the United Nations (UN) General Assembly with a view to attracting special international support for the most vulnerable and disadvantaged members of the UN family.

The list of the 25 original countries was the first list of LDCs to be released by the United Nations. The countries were identified as those with low income and at early stages of development in their economic and social sectors. The list of LDCs has grown from 25 to 47 over the last four decades, with a quarter of the countries in the Asia-Pacific region and the rest in Africa and the Caribbean. The UN Office of the High Representative for Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States (UN-OHRLLS) ensures effective follow-up, implementation, monitoring, and review of the implementation of the global programmes for the LDCs, LLDCs, and SIDS. UN-OHRLLS notes that most of the LDCs require global support for meeting internationally agreed sustainable development programme goals, including the Sustainable Development Goals (SDGs).

## **Istanbul Programme of Action**

The international community met in Istanbul, Turkey, in May 2011 for the Fourth United Nations Conference on the Least Developed Countries (LDC-IV). LDC-IV provided a major opportunity to deepen the global partnership in support of LDCs and set the framework for development cooperation for the next decade. UN-OHRLLS is the coordinator of the LDC-IV process, including its follow-up activities.

### Vienna Programme of Action

Landlocked countries face an array of challenges, mainly associated with their lack of direct territorial access to the sea and remoteness from world markets. Their dependence on other countries for international trade via transit is an element that adds to these various challenges. The *Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024* is a new holistic document centred upon addressing the challenges faced by landlocked countries that aims to contribute to the eradication of poverty stemming from them being landlocked.

### **SAMOA** Pathway

The Third International Conference on Small Island Developing States was held in September 2014 in Apia, Samoa, on the theme of 'the Sustainable Development of SIDS through Genuine and Durable Partnerships'. The conference adopted an outcome document, titled *SIDS Accelerated Modalities of Action (SAMOA) Pathway*, which was negotiated and prepared at the UN Headquarters in New York by the UN General Assembly in July 2014. UN-OHRLL is entrusted with the responsibility of implementing the SAMOA Pathway, mainstreaming SIDS-related issues in the work of the UN system, and enhancing the coherence of the issues in UN processes, including at the national, regional, and global levels.

The Istanbul and Vienna Global Programmes of Action and the SAMOA Pathway are three global programmes of action that address the unique development challenges and vulnerabilities of LDCs, LLDCs, and the SIDS. The Istanbul Programme of Action aims to overcome the structural challenges facing LDCs by building their human and productive capacities to enable them to graduate from the LDC category. The Vienna Programme of Action for landlocked developing countries targets the enhancement of competitiveness, the expansion of trade, and diversification through strengthening partnerships between landlocked and transit countries. The SAMOA Pathway calls for international cooperation to support SIDS in overcoming their particular vulnerabilities and the compound effects of climate change. The priority areas of each of these programmes of action are listed in Table 5.1.

#### **TABLE 5.1**

Priority Areas of the Global Programmes of Action for Countries with Special Needs

#### Istanbul Programme of Action - 8 Priorities and 251 Actions

- Priority 1: Productive capacity
- Priority 2: Agriculture, food security, and rural development
- Priority 3: Trade
- Priority 4: Commodities
- Priority 5: Human and social development
- Priority 6: Multiple crises and other emerging challenges
- Priority 7: Mobilising financial resources for development and capacity-building
- Priority 8: Good governance at all levels

#### Vienna Programme of Action - 6 Priorities and 88 Actions

- Priority 1: Fundamental transit policy issues
- Priority 2: Infrastructure development and maintenance
- Priority 3: International trade and trade facilitation
- Priority 4: Regional integration and cooperation
- Priority 5: Structural economic transformation
- Priority 6: Means of implementation

#### SAMOA Pathway - 16 Priorities and 133 Actions

- Priority 1: Sustained and sustainable inclusive and equitable economic growth with decent work for all
- Priority 2: Climate change
- Priority 3: Sustainable energy
- Priority 4: Disaster risk reduction
- Priority 5: Oceans and seas
- Priority 6: Food security and nutrition
- Priority 7: Water and sanitation
- Priority 8: Sustainable transportation
- Priority 9: Sustainable consumption and production
- Priority 10: Management of chemicals and waste, including hazardous waste
- Priority 11: Health and non-communicable diseases
- Priority 12: Gender equality and women's empowerment
- Priority 13: Social development
- Priority 14: Biodiversity
- Priority 15: Invasive alien species
- Priority 16: Means of implementation, including partnerships

SAMOA = SIDS Accelerated Modalities of Action, SIDS = Small Island Developing States. Source: UNESCAP (2016).

## Global Programmes of Action and the 2030 Agenda

A United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) (2016) study report mapped the priorities and actions of the Istanbul, Vienna, and SAMOA programmes of action onto the 2030 Sustainable Development Goals. Most of the actions of the three programmes match the specific targets of the goals (Table 5.2). The actions of the Istanbul Programme of Action cover the 17 SDGs, with greater emphasis on Goal 2 (zero hunger), Goal 8 (decent work and economic growth), Goal 16 (peace, justice, and strong institutions), and Goal 17 (partnership for the goals). These goals the reflect priority areas of the Istanbul Programme of Action.

#### **TABLE 5.2**

| Distribution of Actions and the Pillars<br>of the 2030 Sustainable Development Goals |           |            |               |  |        |  |  |  |  |  |  |
|--|-----------|------------|---------------|--|--------|--|--|--|--|--|--|
|  | Social    | Economic   | Environmental | Governance<br>and Means of<br>Implementation |        |  |  |  |  |  |  |
|  | Goals 1-6 | Goals 7-10 | Goals 11-15   | Goals 16-17                                  | Total  |  |  |  |  |  |  |
| Istanbul Programme of Action   | 75        | 57         | 32            | 87   | 251    |  |  |  |  |  |  |
|  | (30%)     | (23%)      | (13%)         | (34%)  | (100%) |  |  |  |  |  |  |
| Vienna Programme   | 0         | 57         | 0             | 31   | 88     |  |  |  |  |  |  |
| of Action  | (0%)      | (65%)      | (0%)          | (35%)  | (100%) |  |  |  |  |  |  |
| SAMOA Pathway  | 35        | 22         | 49            | 27   | 133    |  |  |  |  |  |  |
|  | (26%)     | (17%)      | (37%)         | (20%)  | (100%) |  |  |  |  |  |  |

SAMOA = SIDS Accelerated Modalities of Action, SIDS = Small Island Developing States.

Note: The first line in each cell is the number of actions that address the 2030 Sustainable Development Goals; the second line is the percentage of the total number of actions in the respective programme of action. Source: UNESCAP (2016).

The actions of the Vienna Programme of Action are all clearly concentrated on Goal 7 (affordable and clean energy), Goal 8, Goal 9 (industry, innovation and infrastructure), Goal 10, and Goal 17. These goals are also closely related to the Vienna Programme's priorities of infrastructure development and maintenance (Priority 2), international trade and trade facilitation (Priority 3), and structural economic transformation (Priority 5). The SAMOA Pathway spans the targets under Goals 13 and 14. It also covers the targets under Goals 2, 5, 6, and 15.

The Istanbul Programme of Action and the SAMOA Pathway widely cover the SDGs, and the Vienna Programme of Action has a strong focus on the economic pillar of sustainable development. The UNESCAP mapping, however, reveals that a large number of actions categorised under certain goals do not necessarily imply wide coverage within that goal. The reason is that the three global programmes of action have a strong focus on areas in which their target countries have structural vulnerabilities, requiring a more thorough and detailed set of actions. Complementarities between the programmes of action and the 2030 Agenda reveal that by pursuing actions in their respective programmes of action, LDCs, LLDCs, and SIDS can simultaneously make progress towards implementation of the 2030 Agenda.

## ASEM Members in the Global Programmes of Action

Four of the ASEM countries, Bangladesh, Cambodia, Lao PDR, and Myanmar, are in the Istanbul and Vienna Programmes of Action. None of the ASEM members are in the SAMOA Pathway. The sustainable development programmes have spillovers across borders, so the neighbours of LDCs, LLDCs, and SIDS have a special interest in the progress of the four ASEM countries towards the implementation of the Istanbul and Vienna Programmes of Action and the 2030 Agenda. These countries also provide a platform for the deepening of the Europe-Asia partnership through ASEM's connectivity mechanisms.

Economic connectivity between Asia and Europe and cooperation for progress in achieving the SDGs together can be accomplished when capacities in the countries are supported by ASEM. The member countries represent an enormous human and natural resource potential for ASEM's growth, prosperity, and food and energy security. The countries are working on their capacities, as can be seen in their economic progress (Table 5.3).

LDCs in ASEM are working towards improving their capacities and reducing their vulnerabilities. Myanmar, Cambodia, and Lao PDR have become more integrated into ASEM's connectivity mechanisms. Between 2014 and 2016, the three countries held nine ASEM meetings and connectivity events. Myanmar was the lead country for Asia in ASEM between 2015 and 2017. Cambodia and the Lao PDR have shown significant initiative for organising ASEM events in their respective countries. Meanwhile, the Brussels ASEM Summit will be an opportunity for Bangladesh to further integrate into the ASEM connectivity process and for other ASEM members to support Bangladesh's initiatives in ASEM.

#### **TABLE 5.3**

Major Economic Indicators for Cambodia, Lao PDR, Myanmar, and Bangladesh (US\$ billion)

|            | 2006           |                |         |     | 2016           |                |         |     |
|------------|----------------|----------------|---------|-----|----------------|----------------|---------|-----|
| Country    | Nominal<br>GDP | FDI<br>Inflows | Exports | ODA | Nominal<br>GDP | FDI<br>Inflows | Exports | ODA |
| Cambodia   | 7              | 0.5            | 3.5     | 0.5 | 20             | 2.3            | 10      | 0.7 |
| Lao PDR    | 3              | 0.2            | 0.4     | 0.4 | 16             | 1.0            | 3       | 0.4 |
| Myanmar    | 14             | 0.7            | 3.5     | 0.1 | 67             | 3.3            | 12      | 1.5 |
| Bangladesh | 72             | 0.5            | 12.0    | 2.0 | 221            | 2.3            | 40      | 2.5 |

FDI = foreign direct investment, GDP = gross domestic product, Lao PDR = Lao People's Democratic Republic, ODA = official development assistance.

Sources: World Bank (2018), International Trade Centre (2018), OECD (2018), ASEANstats (2018).

## Sharing ASEAN's Experience

Association of Southeast Asian Nations (ASEAN) Member States in ASEM can share their experiences of support for ASEM member countries in the Istanbul and Vienna Programmes of Action.

ASEAN has 10 member states: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam. Three of them are LDCs: Cambodia, Lao PDR, and Myanmar, a group commonly referred to as CLM. ASEAN has worked towards economic integration in the region, both from within and in the larger East Asia region. The formation of the ASEAN Economic Community (AEC) in 2015 was an important milestone for economic integration in the region. The AEC is complemented by the ASEAN Socio-Cultural Community and the ASEAN Political-Security Community. Together they form the ASEAN Community. Progress towards the ASEAN Community has a positive bearing on the integration and development of the CLM countries.

The period leading to the formation of the AEC in 2015 witnessed an upward movement in growth among the CLM countries. There was a marked rise in the shares of industry and a corresponding drop in agriculture shares. Investment, especially foreign direct investment, and foreign trade were the main drivers of the growth. Increased integration into regional production chains resulting from regional economic cooperation agreements has provided

new opportunities in both the agriculture and manufacturing sectors. Surrounded and supported by increasingly open economies in ASEAN and with common commitments to the various development agreements of ASEAN, the CLM countries have benefited to an extent not seen among the LDCs of Africa or even those in South Asia. The location of the CLM countries in this region and becoming a part of ASEAN has worked favourably for their growth strategy. It has also enabled ASEAN to become more inclusive in its growth and set a model of growth for LDCs through support and cooperation programmes. However, domestic investment and development policies in CLM need continued adaptation to reflect this reality to ensure that national economic benefits from integration are maximised and potential adverse social impacts are ameliorated.

## ASEM's Support to the Global Programmes of Action

There is an understanding that LDCs can develop their potential and capacities best when supported by development partners. LDCs represent an enormous human and natural resource potential for world economic growth, welfare, prosperity, and food and energy security. A successful, renewed, and strengthened global partnership that effectively addresses the special needs of LDCs will contribute to the cause of peace, prosperity, and sustainable development for all. Both international cooperation frameworks and bilateral cooperation programmes can further contribute to existing national development strategies and also the development commitments made by LDCs in multilateral bodies and global development programmes. Development and regional partners are best placed to support the growth strategies of LDCs, and ASEM connectivity mechanisms are natural platforms for supporting the growth and commitments of ASEM's smaller member states for the global programmes of action.

Global consensus on sustainable development is built on the motto of leaving no one behind. It is also understood that progress towards the realisation of development goals has benign spillovers across borders. Growth in smaller and least developed member states requires the support of their more developed partners. Given these facts, the voluntary nature of the ASEM connectivity platform and the wide range of its activities can channel the initiatives of ASEM member countries to support the countries in the Istanbul and Vienna Programmes of Action. Supporting the member countries in the simultaneous implementation of the relevant programmes of action and the 2030 Agenda could lower administrative and logistical costs, thereby reducing the burden of reporting. This, however, requires a good understanding of countries' needs, strengths, and challenges to decide which goals and associated targets should be prioritised and addressed. The most practical approach is for all stakeholders, including the UN system, to come together to draft a comprehensive roadmap for supporting the member countries in realising the objectives of the Istanbul and Vienna Programmes of Action to achieve simultaneous progress towards their sustainable development goals.

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## Asia-Europe Economic Connectivity

REINFORCING MULTILATERAL INSTITUTIONS AND GLOBAL GOVERNANCE MECHANISMS

Anita Prakash

## Asia-Europe Economic Connectivity

## REINFORCING MULTILATERAL INSTITUTIONS AND GLOBAL GOVERNANCE MECHANISMS

#### Anita Prakash

A sia-Europe Meeting (ASEM) leaders are committed to strengthening Asia-Europe connectivity in all its dimensions. ASEM's commitment to multilateralism and international cooperation programmes has nurtured common development goals for all. Asia-Europe connectivity stands reinforced and strengthened by effective multilateralism and a rules-based international order. In turn, ASEM's strength can reinforce the mandate and working of multilateral institutions and governance mechanisms for trade, financial stability, and economic growth.

Multilateral governance bodies are mandated to represent the interests of all their member countries. Their governance rules mostly evolve through common understanding of the needs of their member countries. Global governance systems must resonate with the interests of all of their members – small or large, developed or developing – including those that have special or differential requirements.

The list of global governance issues addressed by multilateral bodies is long: human rights, human development, labour, health, peace, conflict, disarmament, communication, finance, environment. Trade and economic integration, however, always remain in the foreground, as these are among the more visible aspects of international cooperation in the 21st century and have a direct and immediate influence on the conduct of business in bilateral and multilateral relations.

In a globalised world, global governance and cooperation programmes help manage both the common and individual affairs of states and societies in a rule-bound manner. The idea behind global governance and cooperation programmes is to provide support to solve any challenge within the international system.

The three major elements in global governance – namely, the consensus, rules, and membership of multiple national governments – require a binding mode of interaction.

Multilateralism facilitates such interaction and helps sustain the rules-based global order. The process of global governance and the spirit of multilateralism can prevail at several levels – global, regional, subregional, bilateral, and trilateral. Multilateralism also provides for innovation in connectivity and cooperation mechanisms among countries and regions and facilitates reaching out to new partners.

## Asia-Europe Economic Connectivity Can Reinforce Multilateral Organisations

At the 11th ASEM Summit in Mongolia in July 2016, ASEM leaders noted and forewarned against the global headwinds that are challenging policies aimed at promoting openness and growth in the global economy. The leaders recognised that risks to the global outlook persist in the context of economic and geopolitical uncertainty, continued financial volatility, global excess capacity in industrial sectors, the challenges faced by commodity exporters, and persistent low inflation. The challenges faced by multilateral agencies are slowing down the response mechanisms of member countries. Against such a backdrop, ASEM leaders reaffirmed that they stand ready to use all policy tools – monetary, fiscal, and structural – individually and collectively, as necessary, to foster confidence and achieve strong, sustainable, and balanced economic growth. For achieving this, cooperation among the multilateral institutions of Asia and Europe is important.

Currently, the multilateral system of trade governance and cooperation for economic growth is under stress, induced mostly by large economies. Individual positions on trade, tariffs, disputes, and cooperation are overshadowing the multilateral governance systems. Trade facilitation measures, long considered the pathway for improved prosperity, are at risk of being delayed or even overlooked. This would be detrimental for developing and developed countries alike in Asia and Europe. The smaller and more economically vulnerable countries are at greater risk of being left behind.

The uncertainties created by Brexit in Europe and the withdrawal of the United States from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership are still being assessed for their impact on regional investment and trade. These are further clouded by the tariff barriers being put in place by several countries around the world. The rising support for trade restrictiveness is compounded by rising borders against the movement of people. In a scenario where globalisation and its benefits are being questioned, global governance and multilateral systems are also under strain. And yet, an informed and forward-looking position for multilateral systems would mean a more not less connected world. Multilateral bodies, such as the World Trade Organization (WTO), and intergovernmental and less-formal platforms, such as the Group of Twenty (G20), are leading their member countries and regions to participate in trade, investment, and economic integration. ASEM should reflect this inclusive strategy in its workings, especially in its connectivity mechanisms. Meanwhile, Asia-Europe connectivity is capable of supporting global governance and cooperation programmes and multilateralism itself to help countries become more inclusive in practice. ASEM's activities can contribute directly to the workings of the WTO and the G20 and support these mechanisms for the further deepening of economic connectivity and global value chains between Asia and Europe.

## ASEM's Voice in the World Trade Organization and the Group of Twenty

#### World Trade Organization

The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development. The WTO also provides a legal and institutional framework for the implementation and monitoring of these agreements, as well as for settling disputes arising from their interpretation and application.

Over the past 60 years, the WTO, which was established in 1995, and its predecessor organisation, the General Agreement on Tariffs and Trade, have helped to create a strong and prosperous international trading system, thereby contributing to unprecedented global economic growth. The WTO currently has 164 members, of which 117 are developing countries or separate customs territories. All ASEM member countries are also members of the WTO.

The WTO's founding and guiding principle remains the pursuit of open borders. The organisation is mandated to work for the opening of national markets to international trade, with justifiable exceptions or with adequate flexibilities. Such market opening must be accompanied by sound domestic and international policies that contribute to economic growth and development according to each member's needs and aspirations. The WTO's mandate is expected to encourage and contribute to sustainable development, raise people's welfare, reduce poverty, and foster peace and stability. As Asia and Europe work together to contribute to the solutions to global challenges, taking ASEM's voice to the WTO will be important for preserving the spirit of multilateralism, enhancing the consensus around a rules-based global order, and creating equal opportunities for economic growth for all its members. The WTO is mandated to create the parameters of trade negotiations and procedures for settling disputes, prepare governments to make their trade policies transparent, and resolve trade quarrels under the Dispute Settlement Understanding.

The inclusive face of the WTO helps in building trade capacities and increasing the trading opportunities for developing countries. In setting the standards for trade agreements, WTO rules give developing countries more time to adjust to commitments with greater flexibility and special privileges. Over three-quarters of WTO members are developing countries and countries in transition to market economies.

As the world needs more openness and non-discrimination among countries, societies, and peoples, the WTO is a multilateral organisation that resolutely establishes non-discrimination between trading partners for products, services, and nationals.

Europe and Asia, and indeed the entire world, have benefited from the open trade policies and rules-based trading systems nurtured by the WTO. These international trading systems have allowed countries to participate in global value chains, and this has brought growth and prosperity to Europe and Asia as well as other parts of the world. Most Asian economies, especially the smaller and developing economies, have benefited from the trade rules underwritten by the WTO, enabling them to increase their participation in global trade, improve their incomes and productivity, and attain better health and education standards for their societies. Other improved social and economic outcomes are corollary to trade-induced prosperity and well-being in smaller developing economies.

Both Europe and Asia continue to participate in regional and global value chains producing goods and services and successfully use trade and economic cooperation as tools for economic growth. While the European Union (EU) enjoys the benefits of a common market, Asia participates in efficient production networks and benefits from increased trade in goods and services as well as increased investment for the production of goods and services. Trade-led growth has allowed East Asia, and increasingly South Asia, to eliminate dire poverty and raise incomes dramatically over the years. International trade is a cooperation model in this region and South-South cooperation in trade for development is the running thread in the development strategy for this part of Asia.

Despite the global chill over the spirit of multilateralism, trade restrictiveness, and hardening borders, there is a great commitment among the developing and emerging economies of Asia to integrate their economies deeper into global value chains for the production and trade of goods and services. These economies aspire to participate in and determine the outcomes of negotiations of rules of trade and related issues in the coming years. The Asian component in ASEM comprises of four least developed countries and one landlocked least developed country. Trade and connectivity can unlock the economic potential of these countries and connect their people to the rest of the world. Several ASEM economies are at the lower ends of global value chains, whether in agriculture, manufacturing, or services. These countries are keen to help themselves and require the governance platforms in the WTO and other multilateral organisations to create and facilitate open trade and also create capacities for trade facilitation.

Amid the current economic and governance uncertainties, Asia and Europe are making efforts for trade and economic integration through intraregional and intercontinental economic and institutional connectivity, the deepening of global value chains in Asia and Europe, capacity development for trade and trade facilitation, collaboration among financial mechanisms, and the nurturing of common policy positions, albeit with regional characteristics. These unique characteristics of ASEM connectivity for supporting multilateralism and global governance mechanisms must be brought before global and multilateral bodies, such as the WTO, the G20, and other regional partnerships that exist in Asia and Europe.

In this context, ASEM's voice and views on major trade and related issues in the domestic and regional domains of the economies of Asia and Europe – with particular attention on economic vulnerability and capacity issues in developing economies, least developed countries, and least developed landlocked countries – must be brought to the consultative mechanisms in the WTO. It is now recognised that the WTO system is only one part of a much broader set of international rights and obligations that bind WTO members. The WTO works with a number of other international governmental organisations under the banner of 'coherence', a term originating in the 'Decision on Achieving Greater Coherence in Global Economic Policymaking', which ministers agreed upon in Marrakesh in April 1994. The WTO maintains extensive institutional relations with several other international organisations, and there are some 140 international organisations that have observer status in WTO bodies. The WTO also participates as an observer in the work of several international organisations. In all, the WTO Secretariat maintains working relations with almost 200 international organisations in activities ranging from statistics, research, standard-setting, and technical assistance and training.

Although the extent of such cooperation varies, coordination and coherence between the work of the WTO and other international organisations continues to evolve to assist members in the operation of their economic policies.

ASEM must articulate the policy concerns and needs of its economies to the WTO to express ASEM's views on global trade issues. ASEM can utilise the outcomes of its strong economic connectivity mechanisms and activities to create messages on trade openness, trade facilitation, and related economic cooperation issues. ASEM's message can then be conveyed to the WTO's mechanisms, especially its ministerial meetings. ASEM's voice will enable the WTO to receive granular and balanced perspectives on the policy directions required for the global economy, both over the short and medium term. ASEM embodies the value chains of trade, investment, and economic cooperation between Asia and Europe. The discussions, negotiations, and policy guidance directions in the WTO (or other similar multilateral platforms) will be strengthened by such timely inputs on trade and trade facilitation and economic cooperation among economies and regions.

The WTO also maintains regular dialogue with nongovernmental organisations, parliamentarians, other international organisations, the media, and the general public on various aspects of the WTO. The aim of the WTO's outreach is to enhance cooperation with and increase awareness of the WTO's activities. ASEM must utilise the opportunity provided through this outreach to regularly input the outcomes of its economic connectivity activities into the WTO's processes and bodies.

#### **Group of Twenty**

The G20 is a less formal intergovernmental platform that leads its member countries and regions to cooperate for and participate in trade, investment, and economic integration. Of the 20 members of the G20, 13 are present in ASEM. The G20's primary focus has been on the governance of the global economy, although its summit themes have varied from year to year. The Hamburg meeting of G20 Leaders in 2017 declared that mastering the challenges of our age and shaping an interconnected world are the common goals of the G20 that will act as the premier forum for international economic cooperation. The G20 revealed its strength during the global economic and financial crisis when it played a crucial role in stabilising economies and financial markets.

The G20 gives highest priority to its joint objective of strong, sustainable, balanced, and inclusive growth. Faced with the current challenges to multilateralism and the rules-based global order for trade and economic integration, the G20 expressed its determination in the Hamburg meeting to shape globalisation to benefit all people. Most importantly, the

members committed to better enabling people to seize opportunities and tackle common challenges to the global community, including terrorism, displacement, poverty, hunger and health threats, job creation, climate change, energy security, and inequality, including gender inequality, as a basis for sustainable development and stability. Although the G20 is a group of selected countries, the members seek to address issues that go beyond the responsibilities of any one multilateral organisation. The leaders of the G20 have expressed their commitment time and again to continue to work together with others, including developing countries and regions, to address global challenges, building on the rules-based international order.

Leaders at the 2017 G20 Summit agreed to take concrete actions to advance the three aims of building resilience, improving sustainability, and assuming responsibility. For greater economic integration, the G20 underlined the crucial role of the rules-based international trading system. In particular, it committed to working together with all WTO members to improve the functioning of the WTO and cooperate to ensure the effective and timely enforcement of trade rules and commitments as well as improve the organisation's negotiating, monitoring, and dispute settlement functions.

The G20 has a wide reach into the multilateral process and the global governance for trade and economic cooperation through its Sherpa activities. Besides its Track 1 ministerial process, the Track 2 process in the G20 is well established. The Sherpa Track focuses on broader issues, such as political engagement, anti-corruption, development, trade, energy and climate change, and gender equality, among others. Each G20 country is represented at these meetings by its relevant minister and by its designated Sherpa, or emissary. The Sherpa engages in planning, negotiation, and implementation tasks on behalf of the leader of their respective country. Each Sherpa orients their minister and head of state or government accordingly on the progress of the G20 and delegates the dialogue and topics to relevant working groups.

The participation of leading international organisations, such the United Nations, the International Monetary Fund (IMF), and the World Bank, allow for a broadening of the scope and impact of the G20 and ensure its focus is truly global. The G20 enriches its agenda and decision-making by drawing on perspectives and expertise beyond its member governments. It confers with a set of engagement groups: civil society organisations from the G20 nations that represent different sectors of society. Each engagement group is independent and chaired by one of its national members and develops a set of policy recommendations that are formally submitted to the G20 ahead of the summit.

The current engagement groups of the G20 are the following: business (B20), civil society (C20), labour (L20), science (S20), think tanks (T20), women (W20), and youth (Y20).

The G20 Africa Partnership is a special opportunity for the world, including ASEM, to support African countries as well as the goals of the 2030 Agenda. The initiative aims to foster sustainable and inclusive economic growth and development in response to the needs and aspirations of African countries and contribute to creating decent employment, particularly for women and youth, and helping address poverty, inequality, and migration issues.

The Africa Compact in the G20 brings forward individual priorities for 'Investment Compacts' put forward by selected countries, such as Côte d'Ivoire, Ethiopia, Ghana, Morocco, Rwanda, Senegal, and Tunisia. Led by the respective African countries, multilateral development banks (MDBs), the G20, and other partners, these compacts aim to mobilise private investment as well as promote the efficient use of public funding. The G20 helps interested African countries and calls on other partners to join the initiative to seize African economic opportunities in supporting sustainable growth and employment creation. Based on equal partnership, African ownership, and alignment with regional strategies and priorities - in particular, the African Union's Agenda 2063 and its Programme for Infrastructure Development in Africa - the G20's Africa Compact provides an innovative approach for strengthening multilateralism and contributing to development in all its dimensions. ASEM cooperation for strengthening multilateralism and global governance can be greatly met by bringing ASEM closer to the G20's processes, especially the Sherpa process. The outcomes of ASEM connectivity activities related to economic connectivity and sustainable development tasks can play an important role in bringing ASEM cooperation closer to the G20 agenda and strengthening the multidimensional objectives of the G20. The Organisation for Economic Co-operation and Development (OECD) has contributed to the G20 process since its early days. The Sherpa process in the G20 is mature and provides reliable and well-formed inputs to the G20's ministerial meetings and summit processes. ASEM's voice can be included in the G20 process through both the ministerial (Track 1) and Sherpa (Track 2) mechanisms.

Importantly, this allows ASEM to move beyond its geographical boundaries and contribute to the global development agenda in practice and spirit. Contributing to the WTO and the G20's objectives and activities will bring out the synergy of ASEM's strength in bringing regions, institutions, and people closer. ASEM's voice in the WTO and G20's activities will raise the inter-regional profile of ASEM to a truly global voice that is capable of addressing and solving global challenges.

## Asia-Europe Connectivity Can Strengthen Other Multilateral Bodies

Multilateral bodies attend important ASEM meetings (Finance Ministers' Meetings, Economic Ministers' Meetings, and ASEM Summits). Some of the important multilateral bodies that have attended ASEM meetings include the IMF, World Bank, European Central Bank, European Bank for Reconstruction and Development (EBRD), European Stability Mechanism, OECD, Asian Development Bank, and ASEAN+3 Multilateral Research Organisation. These multilateral institutions have mandates to support Asia and Europe, and some have the capacity to further Asia-Europe connectivity through their activities. These institutions can benefit from the inputs from ASEM connectivity mechanisms and create a virtuous cycle of reinforcing the strengths of ASEM connectivity and the multilateral bodies in Asia and Europe.

#### European Investment Bank

The European Investment Bank (EIB), also known as the Bank of the EU, primarily funds long-term projects both within the EU and beyond in areas that could lead to economic growth, employment, and economic and social cohesion and sustainability. Although 90% of its projects are within the EU, the EIB also finances around 50 projects in 150 countries outside the EU that focus on innovation and skills, access to finance for smaller enterprises, infrastructure, and climate and environment. As a non-profit public bank, the EIB is financially autonomous and raises its funding from financial and capital markets, primarily through bond issuance.

The EIB partners with national development banks, civil society groups, the banking community, universities, and other multilateral banks. EIB financing in Asian countries is mandated under the EU's programme for the Asia and Latin America regions. The EIB's focus areas are local private sector development, particularly for SMEs; the development of social and economic infrastructure, including water and sanitation; and climate change mitigation and adaptation through renewable energy, energy efficiency, urban transport, and other projects that can combat  $CO_2$  emissions. The Asian countries in ASEM that are eligible for financing are Bangladesh, Brunei Darussalam, Cambodia, China, India, Indonesia, Kazakhstan, Lao PDR, Malaysia, Mongolia, Myanmar, Pakistan, the Philippines, Singapore, the Republic of Korea, Thailand, and Viet Nam.

#### Asian Development Bank

The Asian Development Bank (ADB) is a multilateral development finance institution that was established in the 1960s with the purpose of fostering economic growth and cooperation in Asia. Besides its members in Asia and the Pacific, ADB has 19 nonregional members, 17 of which are European partners of Asia in ASEM. As a multilateral development finance institution, ADB provides loans, technical assistance, grants, and equity investment to deliver projects that can stimulate development in developing member countries. In doing so, ADB also partners with member governments, independent organisations, and other financial institutions. ADB has seven operational priority areas that are close to those of the Sustainable Development Goals, the Paris Agreement, and the Sendai Framework: (1) addressing remaining poverty and reducing inequality, (2) accelerating progress in gender equality, (3) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability, (4) making cities more liveable, (5) promoting rural development and food security, (6) strengthening governance and institutional capacity, and (7) fostering regional cooperation and integration. Its agenda overlaps with the areas of connectivity and cooperation in ASEM. ADB partners with the Asian Infrastructure Investment Bank (AIIB), the Eurasian Development Bank, and the EIB to finance development projects.

ASEM connectivity activities produce several outcomes and reports on economic cooperation, sustainable development, climate change, and regional cooperation etc., and it is important to share these outcomes with ADB's policy process. This will facilitate the feedback of individual and regional needs into the policy development mechanisms of ADB.

#### Asian Infrastructure Investment Bank

The AIIB is a multilateral development bank with the stated mission to provide financing for infrastructure development in the Asia-Pacific region. The bank became operational in December 2015 and currently has 87 member states from all over the world.

The AIIB invests in sustainable infrastructure, such as power, water management, transport, and cities in Asia. As of June 2018, the AIIB had approved a total of 23 projects with a total investment reaching US\$5.3 billion. The AIIB is an example of an Asian multilateral institution with a large number of European partners. Asian and European countries have made contributions in equal measures to the institution's subscribed capital of approximately US\$95 billion (as of 31 December 2017). Of the ASEM members, China, India, Germany, the Republic of Korea, Russia, Italy, the United Kingdom, and Indonesia are among the lead contributors to the AIIB. The AIIB also partners with other Asian and European institutions, such as the EIB and ADB.

### Chiang Mai Initiative Multilateralism and the ASEAN+3 Macroeconomic Research Office

The Chiang Mai Initiative Multilateralism (CMIM) is a network of multilateral currency swap arrangements among ASEAN's member states, China, Japan, and the Republic of Korea, also known as ASEAN+3. The CMIM entered into force in March 2010 with the setting up of a formal foreign currency reserves pool and a weighted voting system for funds disbursement and surveillance capabilities. The CMIM functions as a complementary institution to existing international financial arrangements, such as the IMF, but also has the broader purpose of deepening regionalisation. The CMIM established the ASEAN+3 Macroeconomic Research Office (AMRO), a supporting organisation that acts as an independent regional surveillance unit to support the decision-making processes and implementation of the CMIM and monitor the regional economies of ASEAN+3. In the current global scenario where economies in Asia and Europe are linked irreversibly, greater participation in the activities of AMRO is called for. ASEM's support of multilateralism can extend to AMRO, and this will be important for enhancing institutional connectivity between Asia and Europe.

Besides these institutions, the World Bank, IMF, OECD, and EBRD are some of the other important institutions that attend ASEM ministerial and summit meetings. ASEM should aim to increase the number of multilateral institutions that participate in its processes. This will help to address the common global challenges facing Asia and Europe and bring in local results for global development targets. Importantly, such participation will allow ASEM's voice to reach the policy processes and mandates of multilateral bodies.

## Supporting Multilateral Institutions Will Strengthen ASEM's Institutional Connectivity

Multilateral institutions regularly participate in the ASEM process and can contribute closely to growth processes in Asia and Europe. Asia and Europe can jointly share their views with these institutions and benefit from their strength. This will strengthen ASEM connectivity and bring ASEM issues closer to the agenda of the respective institutions.

Multilateral organisations have best practices and the technical know-how to contribute to ASEM's economic and political objectives as well as to sustainable development, financial management, and cooperation activities. ASEM can strengthen its connectivity by importing these lessons into its activities without having to reinvent the wheel. Likewise, ASEM can share its unique lessons with other multilateral organisations, including with newer institutions, such as the AIIB. ASEM's connectivity mechanisms and activities can synthesise the lessons from the MDBs for their practical use in the Asia-Europe connectivity context. In addition, ASEM can share the results of its connectivity-related activities with the MDBs.

ASEM's voice will provide the multilateral and intergovernmental bodies with a greater and more granular understanding of domestic and regional trade and the economic concerns of Asia and Europe, especially those of the developing and least developed economies. ASEM's representation through its topical messages to the multilateral and intergovernmental bodies will also facilitate more informed and equitable discussions in a multilateral setting and ensure a balanced discussion in these fora. The global and interconnected character of the challenges to the global economy calls for solutions that transcend national borders. Multilateralism itself requires an integrated approach that promotes the effective use of partnerships among multiple countries, regions, and regional institutions for resolving common economic and financial issues. In this context, multilateral institutions in Asia and Europe, indeed around the world, can be nurtured through the combined strength of Asia-Europe connectivity. Asia and Europe share global economic and financial concerns. The two can create institutional connectivity among their multilateral institutions and also jointly represent the concerns of Asia and Europe in global and regional multilateral mechanisms.

ASEM's support to multilateralism will strengthen the very foundation on which ASEM is conceptualised, bringing people, places, and economies closer to each other than before.

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## CONCLUSION

Brussels Pathway for ASEM Connectivity

INTERLINKING ASEM WITH GLOBAL DEVELOPMENT PROGRAMMES AND GLOBAL GOVERNANCE

Anita Prakash

## Brussels Pathway for ASEM Connectivity

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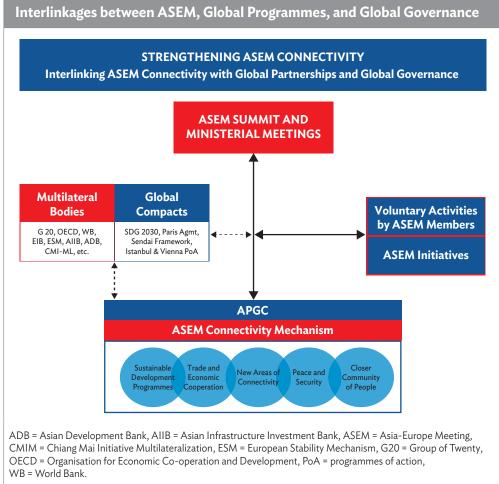
#### Anita Prakash

When the leaders of Asia and Europe converge at the 12th Asia-Europe Meeting (ASEM) Summit in Brussels, the theme of the summit – Global Partners for Global Challenges – will resonate in their discussions and decisions. In its 22 years of existence, ASEM has maintained its status as a non-formal multilateral group, which gives it immense flexibility to reach out to partners in Asia and Europe and to work together with them to fill in the crucial knowledge and development gaps in the region. ASEM's accomplishments in three pillars – political, economic and social-cultural – are diverse and relevant for its members.

When ASEM entered its third decade in 2016, there were challenges all around the globe. As the global economy recovered from the global financial crisis, other political and economic challenges, such as migration, rising fences across borders, barriers to trade, global peace and security, and climate change, continued to keep the policy focus on responsible growth and inclusive development for all people. The 11th ASEM Summit was held amid a backdrop of a global consensus on creating action plans and partnerships for making growth inclusive. Sharing and partnerships, cooperation and connectivity, and all forms of collaborations became the bywords for policymakers around the globe. In its third decade, ASEM, therefore, has made a larger commitment to its own members and the global community. ASEM leaders chose to place ASEM's strength and mechanisms behind supporting countries and global institutions for sustainable development and creating conditions where the benefits of development can be shared by all. There is an understanding among the ASEM members to use the combined strength of ASEM to respond to global challenges. The leaders have resolved to work together to energise ASEM and promote further connectivity, mutually beneficial partnerships, and cooperation between Asia and Europe with a view to building an inclusive, sustainable, and radiant future for ASEM's people.

ASEM connectivity is the most visible face of the informal grouping. It has become the platform through which ASEM can raise its strength for addressing global challenges and delivering local results. A freshly energised and revamped ASEM connectivity mechanism is being presented at the Brussels summit with a clear role allocation for ASEM's formal and informal stakeholders. The ASEM Connectivity Inventory, prepared by the hosts of the 12th Summit, has contributed to channelling the formal and voluntary initiatives for ASEM connectivity into results-bearing mechanisms. ASEM in 2018 is formally prepared to contribute to the common goals and objectives of important global partnerships and cooperation programmes that can add value to ASEM's vision of connectivity and strengthen ASEM connectivity itself (Figure 7.1).

#### FIGURE 7.1



Source: Author. Modified from ERIA (2018).

Building on ASEM's mandate to draw synergy from global programmes for sustainable development that share common goals and objectives with ASEM, this report details Asia and Europe's collective approach towards global development programmes and how the ASEM connectivity mechanisms are addressing sustainable development programmes in ASEM's unique way. There is a special focus on programmes of action for least developed countries, landlocked least developed countries, and Small Island Developing States.

### **ASEM Connectivity for Sustainable Development**

Assessment of the status of the Sustainable Development Goals (SDGs) in Asia and Europe reveals that ASEM has the special task of supporting the capacities of its members for creating data for measuring progress towards the 2030 SDGs. The wide divergence in the quality and quantity of data from countries reveals enormous capacity challenges. ASEMs connectivity mechanisms have a strong knowledge and capacity-sharing base, which should be used for ensuring the progress and accountability of the development goals in Asia and Europe. ASEM's unique contribution to the 2030 Agenda could comprise of putting the connectivity mechanism to the task of supporting uniform data reporting and analysis of the progress towards the goals and targets in ASEM countries. An ASEM report on the SDGs in global bodies would be a genuine ASEM connectivity-generated contribution to the SDGs and global governance. This would also strengthen cooperation among ASEM members. ASEM has the reach across Asia and Europe and among global institutions to accomplish this task.

ASEM integration can be further enhanced if Goal 17 is put at the centre of ASEM's cooperation on SDGs. Technology, capacity-building, trade and economic cooperation, and data and monitoring are the strengths of ASEM's cooperation. ASEM's strong linkages along the political, economic, and social-cultural pillars make the task of supporting Goal 17 more assured. Agenda 2030 requires global partnerships to ensure its implementation. ASEM's connectivity mechanisms can work to bring together governments, the private sector, civil society, the United Nations, and other multilateral institutions for mobilising resources and expertise on sustainable development.

The Danube-Mekong Cooperation Initiative is a concrete example of ASEM connectivity working for sustainable development issues. It shows the way forward for further cooperation between ASEM partners in the framework of the ASEM Sustainable Development Dialogue and encourages further concerted actions for tangible cooperation between Asia and Europe in water-related issues through transboundary, subregional, and bi-regional cooperation. The outcomes of the Danube-Mekong Cooperation Initiative, which are reported to ASEM, should be shared with multilateral agencies monitoring progress towards the SDGs.

## ASEM Connectivity Is Effective in Knowledge Sharing and Capacity Development

The Paris Agreement and the Sendai Framework are linked closely with the 2030 Agenda, even though they are being administered and monitored by different global agencies and government agencies. On the ground, people and regions are commonly affected by the progress made in realising the objectives of these programmes. ASEM's connectivity mechanisms are well suited for providing knowledge sharing and cooperation for technology development and transfer, which are vital for supporting the implementation of the Paris Agreement. ASEM's connectivity activities should bring its members together for the sharing of knowledge and the transfer of technology, which can increase the ability of the members to adapt to the changing climate and fulfil their unconditional and conditional nationally determined contributions. ASEM connectivity will provide a platform for ASEM members to create knowledge frameworks for technology action plans. ASEM can report the findings to the Convention of Parties through the Subsidiary Body for Scientific and Technological Advice. Connectivity activities can gather ASEM's combined strength to support the workings of the Climate Technology Centre and Network, which supports further work in member countries relating to technology research, development and demonstration, and the development and enhancement of endogenous capacities and technologies.

The Paris Committee on Capacity-building is perhaps the most important platform for ASEM connectivity as it addresses the gaps and needs in implementing capacitybuilding in developing country parties and also enhances coherence and coordination in capacity-building activities under the Convention. Cooperation among ASEM members on knowledge sharing and technology development and transfer must be reported to the Paris Committee to increase synergies and avoid duplication among the groups and multilateral bodies that are supporting the realisation of the goals in the global development programmes.

### Continuing the Momentum from Da Nang

Both Europe and Asia have plans of action to meet the goals of the Sendai Framework. However, ASEM has a rich framework of cooperation in the Da Nang Outcomes, which lay out pathways for ASEM cooperation in the implementation and monitoring of the Sendai Framework goals, the SDGs, and the Paris Agreement. ASEM could adopt the Da Nang Outcomes as the guiding principles for joint action in the implementation of these global programmes for sustainable development. The Da Nang outcomes underline the need to strengthen cooperation between ASEM partners in disaster risk reduction, management, preparedness, and relief through the sharing of knowledge and experience as well as the exchange of best practices. ASEM can share the outcomes of the Da Nang meeting (and its follow-up) with global partners to bring together disaster risk reduction and management, climate change, and sustainable development into a resilience framework with clear performance metrics. The non-binding recommendations of the Da Nang Outcomes for enhancing cooperation among ASEM partners adhere to the spirit of ASEM.

# ASEM Connectivity Is Strengthened by Multilateralism and Global Governance

Asia-Europe connectivity stands reinforced and strengthened by effective multilateralism and a rules-based international order. In turn, ASEM's strength can reinforce the mandate and workings of multilateral institutions and governance mechanisms for trade, financial stability, and economic growth. ASEM's connectivity goals can be realised in an environment where there are cooperation and consensus among global partners for the common goals of growth and prosperity. The world needs more cooperation now than ever before. ASEM must take the lead in supporting global governance mechanisms, multilateral institutions, and the spirit of multilateralism itself.

ASEM represents a significant global population and a large part of the global economy. It comprises a group of countries that face most, if not all, of the challenges confronting the global community – sustainable growth, income inequality, trade, climate change, disaster risks, and peace and security. Global governance mechanisms are also addressing similar issues. ASEM's interlinkages with multilateral global governance organisations will reinforce both sides. ASEM connectivity's economic, political and social-cultural objectives will be strengthened by importing the learnings from the activities of other global and multilateral organisations. Similarly, ASEM's voice will provide multilateral and intergovernmental bodies with a greater and more granular understanding of the domestic and regional trade and economic concerns of Asia and Europe, especially the developing and least developed economies.

As Asia and Europe work together to contribute to the solutions to global challenges, taking ASEM's voice to multilateral bodies, such as the World Trade Organization (WTO) and the Group of Twenty (G20), will be important for preserving the spirit of multilateralism, enhancing the consensus around a rules-based global order, and creating equal opportunities for economic growth for all its members. The WTO's outreach programmes and the G20's Ministerial (Track 1) and Sherpa (Track 2) processes are designed for cooperation with likeminded bodies. The outcomes of ASEM's connectivity activities related to economic connectivity and sustainable development can play an important role in bringing ASEM cooperation closer to the WTO and G20 agendas and in strengthening their multidimensional objectives.

## The Time Is Right for Deepening and Strengthening ASEM Connectivity

To make ASEM more responsive to the emerging demands for connectivity within the framework of economic prosperity, institutional linkages, and social-cultural exchange and cooperation, ASEM has consolidated the lessons learned in the field of connectivity from its activities to further develop the direction of and framework for the policy processes of its connectivity activities.

A considerable number of ASEM activities touch upon one or more of the sustainable development programmes, but their relevance and contribution to advancing the goals of these programmes in member countries are not fully evident. A recent review of ASEM's connectivity activities reveals that the formal structures of ASEM – such as its Ministers' Meetings and Summits – are more results oriented. These structures constitute ASEM's strength as they typically provide clear guidance and direction. The ground covered by the ASEM Pathfinder's Group on Connectivity (APGC) between the Ulaanbaatar and Brussels summits in rationalising, infusing efficiency, and incorporating results orientation into ASEM's connectivity mechanism can seek guidance from ministerial meetings and senior official meetings on aligning the goals and objectives of global development programmes with the activities of ASEM. They can also share the outcomes of these activities with governments, multilateral institutions, and other stakeholders from civil society.

Governments across the globe recognise the growing importance of connectivity. The political and economic momentum within ASEM has supported the formation and continuation of the APGC and the restructured ASEM connectivity mechanisms. Global development programmes and the impetus for multilateralism call for greater interlinkages between individual governments and regional and multilateral institutions. The spirit of inclusive development and the motto of 'leaving no one behind' have resonated in national, regional, and even local policies and actions for development. The real test of ASEM connectivity, therefore, lies in delivering results that adhere to this spirit. This will also fulfil the theme of the 12th ASEM Summit: Global Partnerships for Global Challenges.

The current ASEM connectivity structure and the interlinkages visualised in Figure 7.1 will be able to create partnerships for ensuring results at the regional and subregional levels. The United Nations and other multilateral organisations are well placed to bring together regional governments, the private sector, and civil society for mobilising resources and expertise on sustainable development. In 2018, ASEM and other multilateral organisations have the opportunity and the rationale to lead the global community. ASEM's connectivity and cooperation activities will help in finding synergy in the cooperation activities of its own members and its global partners for delivering regional and local results.

For the 12th ASEM Summit in Brussels during 18–19 October 2018, the time and direction are right for deepening and strengthening ASEM connectivity.

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