

---

## Economic and Social Commission for Asia and the Pacific

**Seventy-third session**

Bangkok, 15-19 May 2017

Item 3 (b) of the provisional agenda\*

**Review of issues pertinent to the subsidiary structure  
of the Commission, including the work of the regional  
institutions: trade and investment**

### Asia-Pacific Business Forum 2017\*\*

*Summary*

The present document presents the report of the thirteenth Asia-Pacific Business Forum which was held in Dhaka, Bangladesh on 8-9 February 2017.

#### I. Opening, duration and organization of the session

1. The Thirteenth Asia-Pacific Business Forum (hereafter called the Forum) was held at the Pan Pacific Sonargaon Hotel in Dhaka, Bangladesh on 8 and 9 February 2017. The Forum was attended by up to 500 participants from government, business, civil society, academia and others. The programme of the Forum is attached as Annex I.

2. The Forum was organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), in close collaboration with the Ministry of Commerce of the Government of Bangladesh, the International Chamber of Commerce (ICC) Bangladesh, the ESCAP Business Advisory Council (EBAC) and the ESCAP Sustainable Business Network (ESBN). Partners and sponsors of the Forum comprised of the following: Bangladesh Investment Development Authority, Standard Chartered (platinum partners); Bangladesh Insurance Association, City Bank, Shasha Denims Ltd. (gold partners); Berger Trusted Worldwide, Eastland Insurance, Green Delta Insurance, Joules Power Limited, National Housing, Navana Group, Reliance Insurance Limited, The Merchants Ltd., Uttara Finance and Investments Limited (silver partners); The Daily Star, Financial Express, Channel 24, Maasranga Television and other local media outlets (media partners); and Centre for Policy Dialogue Bangladesh (knowledge partner).

3. The Forum was inaugurated in the afternoon of 8 February 2017. Chief Guest was H.E. Mr. Md. Abdul Hamid, Hon'ble President of the People's Republic of Bangladesh. A keynote address on behalf of business was delivered by Mr. Victor K. Fung, former global chairman of ICC and

---

\* E/ESCAP/73/L.1.

\*\* This present document is being issued without formal editing.

Chairman of Fung Group. Ms. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP and Mr. Mahbubur Rahman, President of ICC Bangladesh delivered a welcome address. H.E. Mr. Tofail Ahmed, M.P., Hon'ble Minister of Commerce of the Government of Bangladesh delivered the opening address on behalf of the Government. The statements were preceded by a recitation from the Holy Quran and audio-visual presentation of ICCB. Additional opening addresses were delivered by: Mr. Wencai Zhang, Vice-President (Operations), Asian Development Bank, H.E. Mr. Mukhisa Kituyi, Secretary-General of UNCTAD, H.E. Mr. Romi Gauchan Thakali, Minister of Commerce, Government of Nepal, H.E. Mr. Rishad Bathiudeen, Minister of Industry and Commerce, Government of Sri Lanka, H.E. Prof. Dr. Gowher Rizvi, Adviser to the Hon'ble Prime Minister for international relations, H.E. Mr. Abul Maal Abdul Muhith, M.P., Minister of Finance, Government of Bangladesh; Datuk Seri Mohamed Iqbal Rawther, EBAC Chairperson; and Mr. Latifur Rahman, Vice President, ICCB.

4. The overarching theme of the Forum, "Regional Integration to Achieve Sustainable Development" was discussed in a plenary session on: "Linking Business with the Sustainable Development Goals: What Can We Do?", two plenary business sessions on: "Supporting SDGs through Digital Financial Models by Inclusive Business" and "Supporting and Empowering Disadvantaged MSMEs to Become More Competitive and Sustainable" respectively and three parallel sessions on the following topics: "Devising Strategies for Resilience: Role of Business in Disaster Risk Reduction and Climate Change Adaptation"; "New Energy Realities: Building a Resilient and Low-Carbon Future"; and "Supporting Trade and Transport Facilitation for Regional Integration." A side event on "Economic Outlook and Key Policy Challenges in Emerging Asia" was also organized.

5. Two pre-Forum events were organized:(a) ESNB individual Task Force Meetings on 7 February 2017; (b) Thirteenth Session of EBAC and Third Session of ESNB on 8 February 2015 (AM).

## **II. Conclusions, recommendations and outcomes of the substantive deliberations**

### **A. Opening session**

#### **Keynote address by H.E. Mr. Md. Abdul Hamid, Hon'ble President of the People's Republic of Bangladesh**

6. In this inaugural address, H.E. Mr. Md. Abdul Hamid recognized the role of APBF as an important regional platform for multi-stakeholder dialogue. He noted that the Asia-Pacific region had great potential and was characterized by rich diversity, abundance of natural resources, a wide range of markets and levels of development and human resources. However, he noted the persistence of too much poverty and, in this regard, emphasized the need for South-South cooperation, in particular for least developed countries such as Bangladesh. It was particularly important to boost investment in infrastructure, ICT and social development. Trade and foreign direct investment (FDI) were central to human civilization and should be promoted to create jobs for the poor. ESCAP could play a role in this regard. He offered zero tolerance to terrorism and emphasized the need for peace and prosperity. He described Bangladesh's initiatives in developing infrastructure and the challenges ahead. In particular, he noted his country's vulnerability to climate change as described in the ESCAP Economic and Social Survey. Therefore,

regional cooperation to address these challenges was essential. He formally declared APBF open.

**Address by H.E. Mr. Tofail Ahmed, M.P., Hon'ble Minister of Commerce, Government of Bangladesh**

7. In his address, H.E. Mr. Tofail Ahmed, M.P. noted that the global scenario is changing and that the Asia-Pacific region is increasing in importance and leading globalization and regional integration initiatives. In this context, he welcomed the conclusion of the 4th Round of the Asia-Pacific Trade Agreement (APTA) and ratification of four framework agreements and the progress made under ASEAN. However, he warned against complacency and that poverty remained a concern for the region. In this regard, there was a need to continue the reduction of non-tariff barriers to boost trade and investment as engines of growth. He outlined the progress being made in Bangladesh with economic development under the current government under Vision 21 including digitization. Bangladesh had already achieved high growth rates and policies were implemented in support of business, trade and investment. He noted that APBF provided a useful platform for multi-stakeholder discussions on issues of importance to the role of business in achieving sustainable development.

**Address by Mr. Mahbubur Rahman, President, International Chamber of Commerce, Bangladesh**

8. Mr. Rahman began his address by noting that APBF has been the best platform for regional multi-stakeholder dialogue since its inception in Shanghai in 2004. He observed that the world economy was not delivering desired social outcomes and that a new global architecture was required under the 2030 Agenda for Sustainable Development that would leave nobody behind. As part of this architecture he observed that: (a) the Asia-Pacific region is the powerhouse of the world and should take a lead; (b) young people deserve special attention as they shape the future; (c) the SDGs are guiding force for the private sector and decent jobs and that, in this regard, business should adopt principles of responsible business conduct; (d) regional and subregional cooperation played a critical role for the implementation of SDGs; (e) legislation was required to make all parties comply with achieving SDGs. He concluded by noting that Bangladesh had achieved most Millennium Development Goals and was striving to achieve the SDGs. The private sector remained engaged with the Government. APBF was a useful platform to articulate strategies for public-private partnerships (PPPs) to achieve the SDGs.

**Welcome statement of Ms. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP**

9. Ms. Akhtar opened her address by acknowledging the role of EBAC and ESNB in supporting APBF. She noted that regional cooperation has renewed its significance though progress has been uneven. There were unrealized opportunities, especially in South Asia. The private sector played an important role in fostering regional cooperation and in financing infrastructure, global value chains, ICT and energy networks to achieve seamless regional connectivity but barriers to intraregional trade needed to be further reduced. She identified new drivers of regional cooperation such as the 2030 Agenda for Sustainable Development, the ASEAN Economic Community, the Chinese Belt and Road Initiative, the Eurasian Economic Union single economic space, APTA and the Regional Comprehensive Economic Partnership Agreement which was still under negotiation. ESCAP

supported all these processes. Market integration played an important role in fostering regional integration for economic dynamism and this issue, along with seamless connectivity, enhanced financial cooperation and increasing economic and technical cooperation to address shared vulnerabilities and risks was discussed at the ministerial level in ESCAP.

10. Ms. Akhtar emphasized the need to harness the capacity of business to support implementation of the 2030 Agenda through financing, innovation and development of new technologies but the enabling environment for business, in particular at the national level, needed improvement. In other words, the costs of doing business needed to be reduced. In this context, she referred to the regional framework agreement on cross-border paperless trade that ESCAP member States had adopted and was now open for signature. She noted that the private sector was interested in the SDGs and many businesses were embedding the SDGs in their operations and pursuing business opportunities related to achieving the SDGs. Initiatives such as the Global Compact helped business align their strategies with the SDGs and selected ESNB task forces were helping develop responsible business conduct models. She called on business to pursue new and deeper forms of partnerships to boost financing for development; science, technology and innovation; human resource development, South-South cooperation; and other forms of cooperation. She also called on EBAC to be revitalized to allow it to play a productive role in achieving sustainable development and regional integration. She concluded her address by noting that the next APBF would be held in Hong Kong in 2018 and hoped that the outcome of the Forum would feed into the regional intergovernmental processes and, ultimately, to the global High Level Political Forum.

**Address by Mr. Victor K. Fung, Former Global Chairman of ICC and Chairman of Fung Group**

11. Mr. Fung noted the achievements of Bangladesh under the MDGs and current initiatives to achieve the SDGs. He observed with concern that there was a rise in global anti-globalization sentiments but that protectionism was not the answer. China had taken the lead in promoting globalization for joint prosperity. In this regard, the Silk Road project cum One Road One Belt or Belt and Road Initiative (BRI) held great promise for infrastructure connectivity and intraregional trade and, ultimately, for achieving the SDGs. China's motive for the BRI was to focus on social and environmental benefits rather than mere economic growth. Issues such as innovation, high tech and robotics played an important role in the BRI. He also observed that the new normal in China entailed a shift towards domestic consumption with reduced job opportunities in exports. As demand from OECD countries was declining, developing countries could fill the gap through a rising middle class.

**Address by Mr. Wencai Zhang, Vice-President (Operations), Asian Development Bank (ADB)**

12. Mr. Zhang noted the importance of an enabling environment for the private sector as driving force of economic growth and ADB's commitment to harnessing the strength of the private sector. The private sector contributed to regional integration and could contribute to intergovernmental initiatives. In particular, the large needs for infrastructure investments required private sector contributions and participation. He noted that the private sector also contributed to technology and innovation to meet social and environmental development goals, for instance, through the development of renewable energy technology. The private sector's contribution to PPPs and expansion of global value chains for inclusive growth was also noted.

**Address by H.E. Mr. Romi Gauchan Thakali, Minister for Commerce, Government of Nepal**

13. H.E. Mr. Thakali noted the role of APBF as a useful platform to promote private sector cooperation and dialogue. He emphasized the importance of the SDGs, in particular as poverty continued to persist in the region. The region faced major challenges such as climate change, natural disasters, corruption, terrorism, cross-border crime, etc. In order to effectively address these challenges regional cooperation was required. In this context, he noted that his country, Nepal, should optimize the use of its abundant natural resources, as well as trade, investment, tourism, technology transfer, etc. and pursue enhanced transport and ICT connectivity for economic growth and prosperity. He noted that least developed countries faced severe resource gaps, lack of effective market access, supply-side capacity constraints, regulatory red tape, etc. However, Nepal had made progress in improving the enabling environment for the private sector but increased investment in state-of-the art technologies was still required. He concluded by identifying opportunities for Nepal such as agriculture, tourism, natural resources, and hydro-power which required larger inflows of FDI. Capacity building and technical assistance was required to help Nepal realize its full potential.

**Address by H.E. Mr. Rishad Bathiudeen, Minister of Industry and Commerce, Government of Sri Lanka**

14. H.E. Mr. Bathiudeen remarked that Sri Lanka was well on its way to achieve middle-income status and the importance of PPPs in this process. In particular, PPPs had been successful in the areas of infrastructure, such as the development of transport, water, energy, sanitation, irrigation and urban development, including the development of port cities. He called for enhanced PPP initiatives and funding from the private sector rather than from the Government. In other words, he called for private sector-led PPPs rather than public-sector led PPPs.

**Address by H.E. Prof. Gowher Rizvi, Adviser to the Hon'ble Prime Minister for International Relations, Government of Bangladesh**

15. H.E. Mr. Rizvi noted the new reality of Bangladesh which did not match its reputation. In particular, he noted that Bangladesh had made remarkable progress in economic development despite the challenges and hostile international environment. It had a well-established democracy and political stability which helped sustained development. Success was also helped by increased remittances and an agricultural revolution in irrigation. Social development objectives in areas such as health for all and rising GDP/capita indicators were high compared to its peers. Women development and empowerment and social safety nets had also significantly increased. The country had built major infrastructure with its own resources and no longer faced prolonged power cuts.

**Address by H.E. AbulMaal Abdul Muhith, M.P., Minister for Finance, Government of Bangladesh**

16. H.E. Mr. Muhith noted that enhanced regional cooperation and integration were necessary but required a sacrifice in reduced national sovereignty. While emphasizing the importance of trade facilitation and energy for development, he also noted the investment and connectivity gaps. In this regard, he noted that subregional cooperation within the framework of the South Asian Association for Regional Cooperation (SAARC) held great promise and required a consolidation of national institutions under one

umbrella to avoid duplication. He called for enhanced integration in specific sectors, including in production and consumption, with the ultimate aim to eliminate poverty from the subregion.

**Address by Mr. Mukhisa Kituyi, Secretary-General, UNCTAD**

17. Mr. Kituyi highlighted three issues of importance: (a) the importance of multilateralism and engagement; (b) the need for the Asia-Pacific region to provide leadership; and (c) the need for global investment and role of Asia-Pacific as the leading source and destination of greenfield FDI.

**Vote of thanks of Datuk Seri Mohamed Iqbal Rawther, Chairperson of the ESCAP Business Advisory Council**

18. Mr. Iqbal Rawther noted that APBF was the product of UNESCAP under the UN system and that APBF 2017 had reached a new level which should provide the benchmark for future sessions of the Forum. With regard to the China-led BRI he noted that there had been an Islamic precedent in the past. He thanked all speakers.

19. **Mr. Latifur Rahman, Vice President, ICC Bangladesh** also delivered his vote of thanks.

**B. Plenary Session: Linking Business with the Sustainable Development Goals: What Can We Do?**

20. This session was moderated by H.E. Mr. Tofail Ahmed, Minister of Commerce, Government of Bangladesh. Ms. Shamshad Akthar, Executive Secretary of ESCAP delivered introductory remarks. The following speakers made statements: H.E. Mr. Romi Gauchan Thakali, Minister for Commerce, Government of Nepal; H.E. Prof. Dr. Gowher Rizvi, Hon'ble Adviser for International Relations Affairs to the Prime Minister of Bangladesh; Mr. Mukhisa Kituyi, Secretary-General of UNCTAD; Mr. Wencai Zhang, Vice-President of Operations of ADB; Tan Sri Dato' Dr. Michael Yeoh, Chief Executive Officer/Director of the Asian Strategy & Leadership Institute (ASLI); and Mr. Abul Kalam Azad, Principal Coordinator, Sustainable Development Goals Affairs, Prime Minister's Office, Government of Bangladesh.

21. The main observations, conclusions, recommendations and outcomes of the ministerial plenary session were as follows:

- Regional integration and connectivity are required to achieve the SDGs. Business-led trade and investment are essential building blocks of regional integration.
- Global challenges require global solutions. Current anti-globalization trends and retreat from multilateralism are major challenges the world is facing today. There is consensus that the benefits from globalization need to be more equitably distributed. The Asia-Pacific region could take the lead in addressing weaknesses associated with globalization as it was both a leading source and destination of FDI.
- National policy agendas need to be aligned with the SDGs. Various SDGs have a link with business and trade.
- FDI and global value chains (GVCs) play an important part in regional integration. In this context, it is important to forge effective integration of small- and medium-sized enterprises (SMEs) into GVCs.

- The development of services in areas such as health, finance and tourism held great promise for achieving the SDGs.
- Globalization and participation in GVCs expose business to risks which can be reduced through global and regional cooperation and public-private partnerships.
- Trade has increased through enhanced connectivity but South Asia remains the least integrated subregion in the world. Addressing common challenges, in particular reducing poverty, requires cooperation, not confrontation.
- Countries should move from promoting investment and trade to active investment facilitation through their investment promotion agencies.
- It needs to be recognized that individual countries have different priorities and achieve their development objectives at different speeds.
- Business needs to be on board to achieve the SDGs not only through the adoption of enhanced production models and digitization but also through the adoption of responsible business practices and conduct and a higher sense of business ethics and accountability. Sustainable business is good business.
- Industry-based sustainability models could provide guidance to help business contribute to the SDGs, such as responsible or “green” stock exchanges.
- Achieving the SDGs needs to be part of corporate success and growth. SDGs provide business opportunities in areas such as sustainable agriculture, energy and cities.
- Business contribution to SDGs and adoption of responsible business practices need to be monitored through mechanisms such as the Global Compact.
- In order to enhance regional connectivity, private sector investment in infrastructure is required.
- Bangladesh can act as a bridge between South Asia and South-East Asia. However, the country and other least developed countries are in need of technical assistance and capacity building to help them achieve the SDGs.
- There is no return to the government-led development paradigms of the 1960s/1970s. It is now the turn of the private sector to take the lead in development. However, for that purpose, the private sector needs the support from governments and the international community.
- In particular, public-private-civil society tripartite partnerships are important to achieve the SDGs but to be effective they require an enabling environment, including a proper regulatory framework.
- While governments could ease the tax burden of business they still required fiscal revenue to provide public goods and services. In particular, governments need to speed up regulation to keep pace with technological progress.

**C. Business Session 1: Supporting SDGs through Digital Financial Models by Inclusive Business**

22. This session was moderated by Mr. Salehuddin Ahmed, former Governor, Bangladesh Bank. The following speakers made statements: Mr. Arastoo Khan, Chairman, Islami Bank Bangladesh, Ltd.; Prof. Dr. Naoyuki Yoshino, Dean, Asian Development Bank Institute; Prof. Barbara Meynert, Chair of the ESNB Task Force on Digital Economy and Advisor, Fung Global Group; Mr. George Kam Ho Yuen, Board Director, Industrial and Commercial Bank of China (Asia); Mr. Phang Yew Kiat, Vice Chair and CEO of Credit China FinTech Holding Limited; Mr. Sohail R.K. Hussain, Managing Director & CEO, the City Bank Limited; Mr. Kamal Quadir, Chief Executive Officer, bKash Limited; Mr. Mahtabuddin Ahmed, Managing Director and CEO, Robi Axiata Limited; Mr. Muhammad A. (Rumee) Ali, Chairman, ICC Bangladesh Banking Commission & CEO of Bangladesh International Arbitration Centre (BIAC); Mr. Vineet Sachdev, Director, BOSS BPO (a unit of Bahri Trading Company, Sachdeva Group).

23. The panel discussed the following topics:

- What are the digital financial models?
- What are their roles and impacts on sustainable development in the region?
- What are the challenges for governments to maximize their benefits?

24. The main observations, conclusions, recommendations and outcomes of the session were as follows:

- As many people have no bank account digitization of cash and currency (digital liquidity) rather sooner than later is required to better address corruption and black money, increase tax revenue and generally achieve the SDGs leaving nobody behind.
- Digitization is consumer-friendly, low cost and therefore pro-poor as most people have access to the Internet in some form or another (e.g. cheap smart phones). Cash is costly.
- Digitalization and digital finance provides affordability, convenience, security and efficiency to a wide range of customers, many of whom have no bank account.
- In order to achieve effective digitalization of currencies and money regulation needs to be stepped up, including for enhancing cyber security. However, it is recognized that there are regulatory challenges that need to be effectively addressed.
- Effective digital financial platforms for payments, settlements and storage need to be designed on the basis of a grand alliance which brings together all stakeholders, such as retail agents, Internet (e.g. e-commerce) companies, government, regulators, customers and financiers.
- Digital technologies can help the mobilization of start-up and venture capital with Internet companies as intermediaries. Such technologies should also enable companies to advertise and sell online on a trial basis.
- Internet companies can use big data to extend effective credit and credit guarantees for SMEs with no credit record.



- Though commercial banks and financial institutions face technology disruption in their services, there would still be a role for them as they have advantages in terms of financial expertise, and having a strong customer base and credit records. However, banks have to upgrade Internet-based technologies, including the expansion of smart branches.
- There is a broad scope of fintech, including blockchain and others. Financial technology needs to be combined with innovative business models to achieve success and growth.
- Fintech companies need to adapt to new regulation and fast-changing technologies and digitization of currencies. At the same time, regulators need to adapt to allow fintech companies to deliver and grow. Regulation needs to be balanced with innovation. It should be neither over-cautious nor over-zealous.
- Mobile banking provides useful services to non-bank people. New digital applications, such as e-Wallet for online payment, continue to emerge.
- Artificial intelligence can be used for business ratings.

#### **D. Business Session 2: Supporting and Empowering Disadvantaged MSMEs to Become More Competitive and Sustainable**

25. This session was moderated by Mr. Md. Mosharraf Hossain Bhuiyan, ndc, Senior Secretary, Ministry of Industries of the Government of Bangladesh. The following speakers made statements: Mrs. Rokia Afzal Rahman, Vice President, ICC Bangladesh; Mr. Philip Kucharski, Chief Operating Officer, International Chamber of Commerce; Prof. Ken Yan Cheng Pan, President, Trade & Industry Association of Singapore; Mr. Sandro Calvani, Senior Adviser on Strategic Planning, Mae Fah Luang Foundation, Thailand; Mr. Momtaz Uddin Ahmed, Director, SME Foundation and Honorary Professor, Department of Economics, Dhaka University, Bangladesh; Ms. Sampa Banerjee, Executive Director, World Association for Small and Medium Enterprises (WASME).

26. The panel discussed the following topics:

- What are the main difficulties for MSEM's effective participation in global and regional value chains?
- How can international investors better connect with MSMEs, helping them to be more sustainable?
- How can governments and business association promote the development of MSMEs through technology and innovation development?

27. The main observations, conclusions, recommendations and outcomes of the session were as follows:

- SMEs are recognized as prime mover of industrialization and engine of economic growth and development. However, they faced multiple challenges, in particular lack of access to finance, technology, markets and knowledge, (market) information and expertise; standards compliance; access to testing; and effectively utilizing ICT.

- Bangladesh had demonstrated the importance and success of micro-finance schemes consisting of collateral free loans to poor people, in particular women. Experiences with such schemes had demonstrated that poor people, women, and small borrowers had better credit records than big borrowers.
- SME loans were not profitable to banks. However, banks could reduce risks by distributing loans to a larger group of SMEs rather than extending one loan to a single big borrower. Governments should help reduce the risks for banks.
- Only a small percentage of SMEs engaged in international trade but their involvement through value chains and e-commerce was increasing. In this regard, major challenges involved protecting intellectual property rights, ensuring cyber-security, facilitating access to trade finance, and facilitating trade through easier customs clearing procedures and formalities. Grassroots enterprises needed support most.
- Small social enterprises often had a better record than other SMEs as long as the focus was on high quality and professionalism, making people the centre of the company factors of success as evidenced by the experiences of the Mae Fah Luang Foundation of Thailand.
- In order to provide effective assistance to SMEs, a uniform definition of SMEs was needed to collect meaningful data and statistics and formulate relevant policies. On the basis of a uniform definition, a national database of SMEs could be set up.
- Other modalities to assist SMEs included the adoption of an SME Law, a specialized SME Bank and other specialized institutions in areas such as technology, skills, marketing and global networking.
- Special incubation platforms that helped start-ups and SME Centres across the country that linked SMEs with facilitators, business development service providers and other agencies had proved a success in India.
- Generally speaking, SMEs were helped most through the improving of an enabling environment by a non-intrusive government, including reduction and streamlining of regulations.

#### **E. Parallel Session One: Devising Strategies for Resilience: Role of Business in Disaster Risk Reduction and Climate Change Adaptation**

28. This session was moderated by Mr. Asif Ibrahim, Chair of the ESNB Task Force on Disaster and Climate Risk Reduction. The following speakers made statements: Mr. Puji Pujiono, Regional Adviser on Disaster Risk Reduction, ESCAP; Mr. Emdadul Haque, Additional Secretary, Executive Member Planning & Development, Bangladesh Economic Zones Authority (BEZA); Mr. Daniel Gilman, Humanitarian Affairs Officer, Regional Partnerships Unit, UN OCHA, Regional Office-Asia-Pacific; Mr. Md. Abdul Jabbar, Managing Director, DBL Group; Mr. Nirvana Chaudhary, Managing Director, Chaudhary Group, Nepal; Ms. Madhura Mitra, Manager-Sustainability, PricewaterhouseCoopers India; Mr. Jared Berends, Senior Director and Operations and Resource Management, World Vision, Bangladesh; and Mr. Karma C. Nyedrup, Environment Specialist, National Environment Commission, Government of Nepal

29. The session addressed the following issues:
- What is the role and potential of business in disaster risk management in Asia-Pacific?
  - What are available measures and tools for business to promote climate change adaptation?
  - How can we facilitate public-private partnerships in disaster risk reduction and climate change adaptation?
30. The main observations, conclusions, recommendations and outcomes of the session were as follows:
- The Asia-Pacific region continued to witness the increasing disaster-induced economic costs that threatened the attainment of the SDGs. The business sector as one of development pillars bore most of the disaster-induced damage and losses, and SMEs, due to their peculiar characteristics, were often most devastated by disaster impacts.
  - Disaster-resilient business strategies, approaches and operations for business, particularly SMEs, were urgently needed to ensure businesses' own competitiveness and profitability as well as to ensure that they contribute to the resilience of society at large.
  - The international community initiated the Connecting Business initiative (CBi) for the private sector to coordinate and access the tools, resources and mechanisms to collaborate in a more holistic, more strategic, and permanent way with the United Nations system, national governments and civil society and through global coordination architecture networks.
  - The Bangladesh Economic Zones Authority (BEZA) took the disaster and climate risk reduction considerations into its business equation such as the disaster and climate risk assessment during the identification and selection of sites and land acquisition; and ensuring the off-site infrastructure development and offering of incentive packages for developers.
  - The DBL Group in Bangladesh was a major supplier of apparels to globally renowned retailers, which cooperated with GIZ and the government, to implement the international standard on the Occupation Health and Safety Assessment Series 18001. The formation of a social team to oversee employee welfare and safety translated to increased worker retention and productivity, as well as the mitigation of massive cost burdens from accidents and disasters.
  - The Chaudhary Group in Nepal suffered significant damage and business disruption from the major earthquake in April 2015. As the Group was recovering towards normal production, distribution and consumption, it leveraged its business efficiency and resources to deliver, in addition to its commitment to build 10,000 transitional shelters, the reconstruction of more than 100 primary schools and 1,000 low-cost homes in the mountainous affected districts.
  - PricewaterhouseCoopers continued to collaborate with UNISDR to create a long term platform for public-private collaboration on disaster risk management. Learning that many companies made

disaster risk reduction as their core focus and developed unique capabilities, and that there were largely untapped opportunities, the initiative helps companies to understand disaster risks, to respond with a business strategy, a structure, a process, people and technology, and to establish both the needed internal and external enabling environments.

- World Vision International launched the Asia Public-Private Partnerships Hub (Asia P3 Hub) as a multi-sector incubator that drives market-based developmental solutions to bring about transformational change. The Hub harnessed the expertise of the private sector and helped companies leverage World Vision's 50 year international experience and expertise, on working with communities to address disaster and climate risk management.
- Bhutan as a global leader in environmental conservation valued its partnership with the private sector. Large companies in Bhutan recognized the importance of integrating sustainable development into their core strategies. There was scope for the greater involvement of the private sector in policy-making and influence to integrate economic, social and environmental developments in order to attain, ultimately, the happiness of the people of Bhutan.
- The ESCAP Sustainable Business Network (ESBN) Task Force on Disaster and Climate Risk Reduction recognized the specific areas of cooperation that could contribute to ESCAP's programme on disaster risk reduction and resilience-building and areas where the work of ESCAP could provide policy relevant analysis to support members promoting and investing in resilience building in the communities in which they operate as well as better integrate disaster considerations into their operations and investments.
- The Task Force identified the scope for the areas of interventions such as in addressing saline intrusion in Bangladesh's coastal areas, alleviating poverty and leveraging ICT to strengthen disaster resilience.
- The Task Force circulated for a peer review purpose, a working draft of a regional guide entitled "Roadmap to Business Engagement in Disaster Risk Reduction in Asia and the Pacific".

#### **F. Parallel Session Two: New Energy Realities: Building a Resilient and Low-Carbon Future**

31. This session was moderated by Mr. Nazimuddin Chowdhury, Secretary, Energy and Mineral Resources Division, Government of Bangladesh. The following speakers made statements: Prof. Ainun Nishat, Professor Emeritus, Centre for Climate Change and Environmental Research, Bangladesh; Mr. Abrar A. Anwar, Chief Executive Officer, Standard Chartered Bank, Bangladesh; Mr. Arbind Kuymar Mishra, Member of Nepal Planning Commission; Mr. Arunabha Ghosh, Chief Executive Officer, Council on Energy, India; Mr. Karma Tshewang, Chief Engineer, Department of Hydropower & Power Systems, Bhutan; Mr. Kensuke Tanaka, Head of Asia Desk, OECD Development Centre; Prof. Dr. Badrul Imam, Department of Geology, University of Dhaka, Bangladesh; Mr. Mahmood Malik, Chief Executive Officer of Infrastructure Development Company Ltd., Bangladesh.

32. The session address the following issues:
- How can business assist governments in energy infrastructure investment for alternative and renewable energy?
  - How can the poor's energy access issues be addressed?
  - Why isn't sustainable energy being more widely promoted?
33. The main observations, conclusions, recommendations and outcomes of the session were as follows:
- To meet energy demand, Bangladesh needed to optimise production of energy.
  - A balance of various sources including solar energy, wind energy, coal-based energy and development of hydropower were required.
  - Hydro-power generation at the regional level with Nepal, India and Bhutan possessed huge potential. Bangladesh could have access to hydro power by allowing those countries to use Bangladesh's territory to transport hydro power. As is known, hydropower was the jewel of Bhutan's economy where it contributed 15 per cent of the GDP. This form of energy employed a lot of people and enabled Bhutan to export considerable amount of renewable and clean energy.
  - Significant amount of investment was needed to develop renewable and alternative sources of energy. To induce investors to invest in renewable energy generation, an enabling regulatory framework was needed and investors should be protected by the government so that they were able to obtain decent returns on their investment.
  - Cross-border energy trade in which neighbouring countries engaged in export and importing energy from each other could boost energy access to those countries.
  - Nuclear energy emitted least amount of carbon among all sources of energy and was less costly than generating solar energy or wind energy. However, nuclear waste could cause harm to mankind. Bangladesh should develop the needed expertise in managing nuclear waste.

#### **G. Parallel Session Three: Supporting Trade and Transport Facilitation for Regional Integration**

34. This session was moderated by Mr. Hedayetullah Al Mamoon, ndc, Senior Secretary, Ministry of Commerce. The following speakers made statements: Mr. Md. Nojibur Rahman, Senior Secretary, IRD and Chairman, National Board of Revenue, Ministry of Finance, Government of Bangladesh; Ambassador Mr. MahbubUz Zaman, Secretary (Asia & Pacific), Ministry of Foreign Affairs, Government of Bangladesh; Ms. Wendy Jo Werner, Country Manager, Bangladesh, Bhutan and Nepal, IFC, World Bank Group; Mr. Ravi Ratnayake, Adviser to the Agency for International Trade, Ministry of Development Strategies and International Trade, Government of Sri Lanka; Prof. Mustafizur Rahman, Executive Director, Centre for Policy Dialogue, Bangladesh; Mr. Naser Ezaz Bijoy, Country Head of Banking, Standard Chartered Bank, Bangladesh; Mr. David Morris, Chief Representative (Trade Commissioner), Pacific Islands Forum Secretariat and Pacific Islands Trade & Invest; Mr. Bipul Chatterjee, Executive Director, CUTS, India; and

Prof. Sheikh Morshed Jahan, Institute of Business Administration, University of Dhaka, Bangladesh.

35. The session addressed the following issues:

- What are major obstacles for promoting trade and transport facilitation in the region?
- How can governments enhance the quality of trade and transportation related services?
- What infrastructure is required for trade and transport facilitation and how can we develop it?

36. The main observations, conclusions, recommendations and outcomes of the session were as follows:

- Trade, investment and transport should be addressed in a holistic manner.
- The ESCAP/World Bank Trade-Cost database revealed that trade costs in the region were still quite high, mostly policy-related, and needed to be reduced.
- Integration and cooperation at subregional and regional level were required to facilitate trade and transport. In this regard, South Asia was lacking behind ASEAN and other subregions. In particular, SAFTA should reduce the negative list.
- ESCAP's Asian Highway and Transnational Railway had greatly contributed to transport connectivity and facilitation in the region. China's Belt and Road Initiative was also identified as an important modality for regional integration in addition to major regional and bilateral trade agreements among key countries of the region.
- Trade and transport facilitation had to be addressed along three pillars: border documentation; border logistics; and behind-the-border logistics.
- In this regard, there was a need to reduce and harmonize customs regulations and procedures among countries through the adoption of single windows, and reduce other non-tariff measures both at and behind the border.
- Trade and transport facilitation required cooperation, coordination, coherence, commitment and courage. It also required the right policies, infrastructure, institutions, procedures and regulations, technologies, resources, data and statistics.
- Both a top-down (from governments) and bottom-up (from customers and business) approach was needed. ICT in particular played an important role in facilitating trade.
- Cross-country motor vehicle agreements among countries were an important modality to facilitate transport. In addition, countries should adopt the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) and various countries, including China, had already done so.
- Countries were encouraged to establish joint trade and transport facilitation committees or bodies and enhance knowledge sharing among them.

- While the need for value-addition is recognized, rules of origin in regional and bilateral trade agreements should contribute to trade facilitation and not constitute another NTB.
- In promoting trade and transport facilitation, special attention should be paid to the landlocked least developed countries.
- Trade and transport facilitation should not only benefit traders but also producers, workers and consumers and lead to inclusive growth.
- People-to-people connectivity was important to facilitate trade.
- Countries were encouraged to ratify and implement the WTO Agreement on Trade Facilitation and the regional framework agreement on cross-border paperless trade under ESCAP.
- There was scope to reduce the lead-time for delivery of products across supply chains, e.g. in ready-made garments. In this context, the role of intermediaries in the supply chain is critical and they should improve their efficiency. For that purpose, and to promote the role of trade facilitation in achieving the SDGs, sustainable market eco-systems that link all GVC actors (including regulators and facilitators) should be promoted.
- Urban and rural development could be boosted through the improvement of urban and rural transportation, respectively.
- Trade facilitation had been neglected in favour of trade liberalization but had slowly become centre stage of current attention. Trade facilitation measures were needed at the national level (through single window), regional level (e.g. the ESCAP regional framework agreement), and global level (through WTO).
- Political commitment and the setting of realistic agendas were important to achieve meaningful trade and transport facilitation.
- Commercial banks played an important role in facilitating trade as they provided trade finance.
- Businesses need to adopt long-term strategic thinking on products and markets to promote their growth and sustainability and investment objectives. For instance, China's growing middle class had led to demand for boutique products from the Pacific and this, in turn, had led to expanding air-links between China and the Pacific, opening up opportunities.
- Countries need to pursue comprehensive Sanitary and Phyto-Sanitary Agreements (SPS) based on mutual recognition agreements (MRAs) to facilitate cross-border trade. At the national level, they need to improve standards and testing institutions to ensure compliance with international standards.
- There was a need to invest in human resources development of customs officials.
- Aid for trade should target trade facilitation.
- Protectionism, including an increase in G20 trade restrictive measures, should be actively fought in WTO.
- Avoidance of double taxation agreements facilitated FDI and trade but in practice they were not so easy to conclude.

## H. Side Event: Economic Outlook and Key Policy Challenges in Emerging Asia

37. This session was moderated by Mr. Masato Abe, Economic Affairs Officer, Business and Development Section; Trade, Investment and Innovation Division of UNESCAP and involved a presentation on the OECD Economic Outlook for Southeast Asia, China and India 2017: Addressing Energy Challenges by Mr. Kensuke Tanaka, Head of Asia Desk, OECD Development Centre. The Outlook was jointly produced by OECD, ESCAP and ERIA. The following discussants provided comments: Prof. Dr. Naoyuki Yoshino, Dean, Asian Development Bank Institute; Mr. Kondoker Molam Moazzem, Additional Director, Research Centre for Policy Dialogue, Bangladesh; Mr. Mohamed Macky Hashim, Founder President of SAARC CCI; and Mr. Abul Kasem Khan, President, Dhaka Chamber of Commerce and Industry, Bangladesh.

38. The main observations, conclusions, recommendations and outcomes of the session were as follows:

- Discussants highly appreciated the joint publication that provides practical policy implications to the region.
- Transition from a middle income country to a high income country would take about 20-40 years with structural and policy changes required.
- To avoid the middle-income trap, Asia-Pacific developing countries should pay increased attention to the quality and cost of education. Instead, they have focused more on the access of education so far.
- Robust growth in Emerging Asia is expected to continue though some key risks, such as slowing export growth, low interest rates in the advanced economies and sluggish productivity growth, need to be addressed.
- The quality of governance is also an important factor in the capacity to implement reform properly. For example, when the rule of law improves, the informal sector decreases. The governments are encouraged to foster effective public and private dialogues for the enhancement of governance.
- Governments should mobilize more resources through effective taxation for infrastructure development in Asia and the Pacific where infrastructure is relatively low quality.
- Although regional integration has achieved significant progress in a number of areas, such as trade tariff and transport infrastructure, particularly among the ASEAN member states, it is still at a relatively slower pace.
- Fossil fuels remain the main source of energy in emerging Asia where renewable energy sources, such as solar and wind, must be promoted perhaps through the carbon pricing option, which has not been popular in Asia and the Pacific but can make fair pricing based on the CO<sub>2</sub> emission for users. For this purpose, regional cooperation on renewable energy is crucial.
- Quality of infrastructure, which enhances connectivity among provinces and nations, associates positively with spillover effects (e.g., private investment, employment, SME development) and increases tax revenue.



**I. Closing Session**

39. The closing session was moderated by Mr. Debapriya Bhattacharya, Distinguished Fellow, Centre for Policy Dialogue, Bangladesh. Session moderators or their representatives delivered summaries of their respective sessions.

40. Mr. Hongjoo Hahm made a closing statement on behalf of ESCAP. Mr. Mahbubur Rahman made a closing statement on behalf of ICC Bangladesh.

41. Following the closing session, a press briefing was held.

---