Editor's Desk

This January, 2020 issue of Thinking Aloud comes with the theme “Challenges of Achieving SDGs in Developing Countries”. The first article “The SDG Costing Exercise and Financing Challenges in Developing Countries” reinforces that achieving SDGs requires systemic changes in the attitude and mechanisms in developing countries that govern and channel financing. It also demands to exploit the potential options of scaling-up and diversifying financing opportunities commensurate in magnitude with the ambition articulated in the SDGs. The second and third pages of this issue present three articles. The article titled “SDG and Gender Equality: How Far has Bangladesh Achieved?” stresses that although the country has argued to have accomplished well in terms of a number of socio-economic indicators and ranked as top among the South Asian countries in Gender Gap Index 2020 of the World Economic Forum with 50th position among 153 countries, there remains a number of concerns in the context of violence against women, early marriage, access to resources etc. The article titled “Rethinking the Private Sector Engagement in Achieving the SDGs” emphasizes that in order to attain the SDGs, more engagement of private sector and re-orientation of interaction among public and private actors in a system are prerequisites. The article on “Towards an Equitable Food Market Through AMIS” advocates for improvements in AMIS since AMIS has the potential to make food more affordable for consumers and more profitable for farmers. Therefore, with the development of efficient AMIS, food prices can be managed in a way that benefits everyone. The final page draws attention to the events that took place in the month of December. SANEM and the editor’s desk wishes its well-wishers and readers a “Happy New Year”!

Inside this issue

The SDG costing exercise and financing challenges in developing countries

SDG and gender equality: How far has Bangladesh achieved?

Rethinking the private sector engagement in achieving the SDGs

Towards an equitable food market through AMIS

SANEM events

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The SDG costing exercise and financing challenges in developing countries

Selim Raihan

Sustainable Development Goals (SDGs) are unprecedented and ambitious development objectives with 17 goals with 169 targets spanning economic, social and environmental dimensions of sustainable development. To achieve the targets by 2030 is a daunting task for a large number of developing countries in Asia, Africa and Latin America. Especially, the low-income and lower-middle income countries are lagging with respect to achieving a large number of development targets envisaged in the SDGs. The Sustainable Development Report 2019 (https://www.sdgindex.org), led by Prof. Jeffrey Sachs, presents the SDG index for all UN member states to show how countries differ in SDG implementation. Using the data of SDG Index and per capita GDP of 162 countries we have generated the scatter-plot diagram. It is obvious from the diagram that countries with lower per capita GDPs have lower SDG indices. The high performers in the SDG Index are mostly from the high-income and upper-middle income countries. Bangladesh, with a ranking of 116, is just above the trend line. Rankings for other South Asian countries are 153 for Afghanistan, 84 for Bhutan, 115 for India, 47 for the Maldives, 103 for Nepal, 130 for Pakistan, and 93 for Sri Lanka. Similar to the era of Millennium Development Goals (MDGs), countries have a competition to show better performance during the SDGs period as well. There is a political buy-in, both at the global and national level, to demonstrate that countries are on track to achieve SDGs by 2030. Governments of the developing countries have expressed their commitments towards achieving SDGs as one of their priority areas and have undertaken different activities. This gives a unique opportunity to put in place some genuine efforts to achieve several of the important development targets of the SDGs in countries who are lagging considerably.

It should be mentioned that developing countries, especially low income and lower-middle countries, also face the problem of prioritizing among different SDGs. However, common problems in these countries include low or un-sustained economic growth, low or stagnant private sector investment, poor infrastructure, low level of industrialization, a high degree of informal jobs, slow job creation, high incidence of poverty, growing overall and gender inequality, environmental degradation, etc. One of the fundamental challenges these developing countries face is the financing of the huge amount of resources required for meeting the aforementioned development targets. In this context, the SDG costing exercise can be very relevant.

What is the SDG costing exercise? The SDG costing exercise can have a different meaning for different actors and stakeholders. To some, it can be an undertaking that produces some reasonably detailed estimates of the costs needed to implement specific projects or sectoral plans in line with the targets of SDGs. To others, it can be a broader analysis to provide useful guidelines for policymakers about the resources needed to achieve the SDGs at the macro level.

Why is the SDG costing exercise important? It is important since there are only 11 years left to implement SDGs, and for most of the developing countries, the resource-requirement is huge. Therefore, without a comprehensive understanding of the resources required to implement different components of SDGs, it becomes a difficult task for the countries to integrate SDGs in the national budgetary and planning processes. The SDG costing exercise can help accelerate the implementation of development efforts, facilitate discussions on integrated approaches to financing, identify fiscal space and resource mobilization, assist in prioritizing initiatives, raise public awareness, and offer the government new approaches of delivering through the cost savings as well as a synergistic strategy for implementation of the SDGs. There is a need for synchronization of costing across SDGs. Since there are critical interlinkages among different SDGs, it is important to look at integrated costing approaches which can deal with board cross-sectoral synergies as opposed to any stand-alone calculation for specific SDGs. There is no denying that well-designed integrated multisectoral approaches can be cost-effective given the resource constraints in the developing countries. As mentioned before, there are serious challenges in financing resources for SDGs in most of the developing countries, especially given the fact that the capacity for domestic resource mobilization is weak and the options for external financing are limited in many of these countries. An estimate by SANEM for the Planning Commission of Bangladesh shows that additional resources required for the implementation of the SDGs in Bangladesh would be around 20% of GDP for the period 2017-2030. Given the changing global scenario, for financing SDGs, developing countries will have to rely more on domestic sources, and this is, no doubt, a big challenge. Achieving SDGs also, therefore, requires systemic changes in the attitude and mechanisms in developing countries that govern and channel financing. It also demands to exploit the potential options of scaling-up and diversifying financing opportunities commensurate in magnitude with the ambition articulated in the SDGs. Developing countries need to explore all possible sources of financing including public, private, public-private partnership, non-governmental organizations, foreign direct investment, foreign aid, and remittances. It is also important to note that a mere generation of resources would not ensure successful implementation of the SDGs if institutional and governance-related aspects are not properly addressed.

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In this issue

The SDG costing exercise and financing challenges in developing countries

Nepal and Bangladesh: How far has Bangladesh achieved?

Rethinking the Private Sector Engagement in Achieving the SDGs

Towards an Equitable Food Market Through AMIS

SDG Index for all UN Member States

Implementation of the SDGs

Costing Exercise

Log of per capita GDP (constant 2010 US$)

Per capita GDP and SDG Index

Source: Data for 162 countries from World Bank, WDI and http://www.sdginde

South Asian Network on Economic Modeling

Thinking Aloud

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SDG and gender equality: How far has Bangladesh achieved?

Sayema Haque Bidisha

After its success in accomplishing the MDGs, the challenge of Bangladesh is to perform satisfactorily in terms of the indicators of SDGs. In this connection, the issue of gender equality, as reflected primarily by SDG5 is undoubtedly one of the most crucial areas to consider. However, the issue of gender equality should not be addressed as a single goal, rather it must be considered as a cross-cutting agenda that encompasses several other SDGs of women’s health and well-being, participation in education and labor market, representation in political sphere etc. In this regard, although the country has argued to have accomplished well in terms of a number of socio-economic indicators and ranked as top among the South Asian countries in Gender Gap Index 2020 of the World Economic Forum with 50th position among 153 countries, there remains a number of concerns in the context of violence against women, early marriage, access to resources etc.

Broadly speaking, the issue of achieving gender equality and empowerment of all women (SDG5) in particular requires, on one hand to end all forms of discrimination, elimination of violence against women, ensuring women’s sexual and reproductive rights, and on the other to ensure women’s effective participation in decision making. Despite of attaining impressive progresses in terms of maternal mortality, labor force participation etc., the country however has not fared that well in these core indicators. For example, in the context of eliminating violence against women, as high as 54.7% of women are reported to face intimate partner violence whereas 6.2% have faced sexual violence by someone not an intimate partner (VAW, BBS, 2015). The case of child marriage is another area of concern, according to which 23.8% of females were married before age 15 where the corresponding figure for those before age 18 are as high as 58.6% (MICS, 2012/13; BDHS, NIPORT 2014).

In the realm of access to information and communication technology, the picture is however quite optimistic and around 79.8% of both men and women have reported to have a mobile phone. Another crucial indicator of gender equity is that of equal opportunity and although in the context of political empowerment, 20% of seats at national parliament and 23% at local governments are held by women, attaining the targets of 40% and 33% respectively requires strong political commitments from the policy makers (LPAD 2014; LGD 2016). With only 12.9% managerial positions held by women, priority should be given to formulate policies towards increased participation of women in tertiary education as well as to remove the obstacles for women in entering the labor market for attaining the SDG target of 30% (QLFS, BBS, 2015/16). Recognizing and valuing unpaid care work is also another area to focus under SDGs and in order to reduce the proportion of time spent by women from 25% to the SDG5 target of 20% and to raise that of men from 6% to 10% by 2030, gender norm centric policies towards recognition, reduction and redistribution of unpaid care activities should be given emphasis in national policies.

As discussed, it is not only in terms of the indicators of SDG5, different dimensions of gender equality can also be observed through several other SDGs and there are number of challenges in those contexts too. For example, one of the key challenges is to reduce maternal mortality (per 100,000 live births) from 181 to the SDG target of 70 certainly requires strong policy direction (SVRS, BBS, 2015). Similar conclusion can be made for the targets of under five and neonatal mortality and also for births attended by skilled personnel or for the unmet need for using modern methods of family planning. The challenge of the country in terms of adolescent birth rate of around 75 per 1000 women with a target to reduce it to 50 per 1000 women must be dealt with due importance as it requires not only intervention through service delivery but also changing mind set towards early marriage and pregnancy (SVRS, BBS, 2015).

In the context of SDG4 of educational attainment, on one hand, though girls are doing well in terms of indicators like participation in secondary education, for higher secondary, tertiary and technical education, there exists significant gap both between males and females and also in comparison to the targets of SDG. In case of the indicators of SDG8 of promoting employment, challenges remain in several areas, e.g. proportion of youth NEET females are as high as 46.9% where the SDG target is to reduce it to 3%. Similar challenge remains for reducing the proportion of informal employment in non-agriculture sector for females from 88.4% to 65% (QLFS, BBS 2015/16).

Despite of the success of the country in accomplishing several socio-economic indicators, while analyzing the current performance of different indicators of SDGs with a gender lens, we can infer that, in most of those indicators, females are lagging behind males by a significant margin. From the policy point of view, attaining SDG5, for example requires relevant reforms in legal frameworks and effective strong initiatives to remove the obstacles for women’s participation in labor market and in political spheres.

In order to attain the relevant indicators of labor market as embodied in SDG5 as well as in SDG8, both demand and supply side bottlenecks should be addressed. In this regard, special policy focus is required in terms of gender norm centric policies, including those of setting day care centers, increased campaign against child marriage etc. For ensuring better reproductive health and to reduce pregnancy and child birth related risks, better and low cost service delivery is essential. In this relation, the government must consider increasing budgetary spending to health sector by a significant margin. Similar policy focus is essential for increasing education budget for ensuring quality education for both sexes. In this perspective, to reduce the gender gap in education, special emphasis should be given towards increasing participation of women in tertiary and technical education. Finally, with a view to attain gender equality as embodied in SDGs, the issue must be addressed in a holistic manner while incorporating it explicitly in key national policies and strategies.

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Rethinking the private sector engagement in achieving the SDGs

Zubayer Hossen and Nadeera Sultana

The world is moving towards a future demanding an inclusive society – a society where everyone will enjoy the benefits of economic development, social inclusion and environmental sustainability irrespective of religion, gender, skin colour, caste, region, etc. The Sustainable Development Goals (SDGs) as outlined in Global Agenda 2030 also aim all-encompassing development. However, compared to Millennium Development Goals (MDGs), the SDGs are more comprehensive and expansive in nature. Thus, attaining the sustainable development by the timeline is going to be an enormous challenge. The fundamental challenge of achieving SDGs is related to institutional capacity which is much deeper than just mobilizing more money and reducing the financial gap. Looking at the bigger picture, the weight of traditional macroeconomic policies to solve poor governance problems and policy incoherence might impede the execution process. To overcome the challenges and eventually attain the SDGs, a concerted effort from both public and private sectors is the prerequisite. Therefore, carefully considered and planned engagement of private sector and re-orientation of interaction among public and private actors in a system will be required to progress in SDGs.

The 2030 Agenda for sustainable development, adopted by the world leaders in September 2015, provides a shared blueprint to embark on a new path of human development. Aiming at integrating and balancing the economic, social and environmental dimensions of sustainable development, the SDGs address that ending poverty and other deprivation must go hand-in-hand with strategies that improve health and education, reduce inequality, and stimulate economic growth – all while tackling climate change and environmental issues. There is no doubt that the challenge of implementing the SDGs will be immense. Due to the attributes of universality and diversity, the implementation of SDGs require huge investment and involvement from all agents of the society. The public sector cannot handle the challenges solely. The private sector has to have a defined role in materializing the policies or interventions undertaken by government in order to succeed in attaining the SDGs. Nevertheless, the discourse of engaging the private sector in achieving the SDGs by integrating their effort with the objectives of SDGs should be reconsidered. To rope in the private sector in a sustainable manner, there should have an entry point of engagement for private sector. Besides, if needed, the existing policies have to be rectified and new policies should be formulated to incentivize the private sector.

The engagement of private sector is not necessarily confined to financing issues. The private sector has a crucial role to play in achieving the goals related to decent work and economic growth, industry, innovation and infrastructure, gender equality, responsible consumption, climate change, etc., especially in developing countries. The private sector provides 9 out of 10 jobs for the growing youth population and there are number of challenges in those developing countries (IFC, 2013) and as a result, plays an important part in solving global problems.
Towards an equitable food market through AMIS

Md. Jahid Ebn Jalal and Jonaed

Bangladesh has a primarily agrarian economy. Agriculture is the largest productive sector of the economy employing around 50 percent of the total labor force. Performance of this sector has a tremendous impact on major macroeconomic goals such as food security, employment generation, and poverty alleviation. However, farmers are often deprived of the fair price of the product due to the lack of proper supervision of the government. On the other hand, consumers are buying products at a higher price and in the end, the middlemen are becoming the ultimate beneficiaries. One of the major causes of this problem is asymmetric information associated with the agricultural market mechanism. In order to limit food price volatility and to ensure the proper functioning of food commodity markets, SDG 2.c targets to facilitate timely access to market information. In response to SDG 2.c and recent extreme volatility of food prices, improving the Agricultural Market Information System (AMIS) has become a pressing issue in Bangladesh.

AMIS can revolutionize the value chain processes by removing the knowledge gap by analyzing data and presenting different angles to tackle the issues. We can differentiate the data set of AMIS between “current” market information and “historical” information. Current market information meets the immediate commercial needs of farmers and traders where “historical” information, when analyzed, can be used for planning purposes by farmers and policy makers. An efficient AMIS should provide a detailed understanding of the product cycle, market demand and supply and how the prices of the products are determined, which are often absent in the current system of Bangladesh. Although different institutions regarding agriculture i.e. BADC, BARC, DAM, etc. are trying to enrich the system, information are given mostly related to the agricultural market such as food security, employment generation, and labor force. Performance of this sector has a big role in determining the future of the country. Hence, to employ the growing youth population and poverty and other deprivations must go through a path of human development. Aiming at integrating the sectors and vertical integration across sectors and vertical collaborations across various administrative levels. Since there are many cross-cutting issues in SDGs and an integrated approach is expected to tackle development challenges, private sector does not require to work on each relevant goal and their associated targets. Rather, for private sector, the approach should be to identify the core areas to focus on. To have an impactful engagement, the entry point for private sector can be the SDG 7 on affordable and clean energy, SDG 8 on decent work and economic growth and SDG 9 on industry, innovation and infrastructure. The SDG 7 stresses on ensuring access to affordable, reliable, sustainable and modern energy for all, where the SDG 8 promotes sustained and inclusive economic growth, full and productive employment and decent work for all. Finally, SDG 9 emphasizes on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation. The SDG 7, SDG 8 and SDG 9 are the major drivers of productivity, inclusive economic growth and job creation and they cut across many of the SDGs. Therefore, the promotion of these three goals will be a dominant element to achieve the SDGs. The contribution of private sector to SDG 7, SDG 8 and SDG 9 will ultimately help the other goals to progress, particularly SDG 1 on no poverty, SDG 2 on zero hunger, SDG 5 on gender equality, SDG 10 on reduced inequality, SDG 12 on responsible consumption and production and SDG 13 on climate change.

In conclusion, the strategic engagement of private sector is going to be key for achieving the SDGs by 2030. Thus, if required, the relevant policies need to be revisited and amended to incentivize the private sector. Public policy is intended to create the enabling environment at all levels to encourage a vibrant private sector. To better align private sector incentives with public goals, including incentivizing the private sector to adopt sustainable practices, and foster long-term quality investment, right policies have to be formulated and where appropriate, regulatory frameworks have to be strengthened.
Dr. Selim Raihan was a discussant in the BIDS Research Almanac held in Dhaka

Dr. Selim Raihan, Executive Director, South Asian Network on Economic Modeling (SANEM) and Professor of Economics, University of Dhaka was a discussant in a technical session titled “Macro Model, Industry and Firm Performance” at the Bangladesh Institute of Development Studies (BIDS) Research Almanac on December 1, 2019.

SANEM-IHD organized session at the 61st Annual ISLE Conference

SANEM and IHD jointly organized a session on “Preparedness of South Asian Countries for Addressing Labour Market Challenges in the Context of SDGs” at the 61st Annual ISLE (The Indian Society of Labour Economics) Conference, held on December 6, 2019 at the Punjabi University, Patiala, India. The session was chaired by Professor Abhijit Sen, Former Professor of Economics, Jawaharal Nehru University and Former Member, Planning Commission of India. Three presentations were made for Bangladesh, India and Nepal by Dr. Selim Raihan, Executive Director, SANEM, Dr. Sarthi Acharya, Professor, IHD, Delhi, and Dr. Puspa Sharma, Deputy Executive, SAWTEE, Kathmandu respectively. Dr. Nomaan Majid, Senior Employment Specialist, Decent Work Technical Team - South Asia, International Labour Organization (ILO) was the discussant.

SANEM-FAO stakeholder consultation workshop held in Dhaka

South Asian Network on Economic Modeling (SANEM) in partnership with the Food and Agriculture Organization of United Nations (FAO) organized a stakeholder consultation workshop in Dhaka titled “Mobilizing investment and investment of the private sector in implementing SDGs in food and agriculture in Bangladesh” on December 22, 2019 at Golden Tulip, Dhaka. The workshop was chaired by Dr. Selim Raihan, Executive Director, SANEM and Professor, Department of Economics, University of Dhaka. After giving the welcome remarks, Dr. Raihan shared the initial investment opportunities options of the project. This was followed by a presentation by Mr. Shaquib Quoreshi, Fellow, SANEM. In his presentation, Mr. Quoreshi shared the investment proposals for Moringa and Cashew Nut and mentioned about the advantages of Cashew Nut and Moringa. He also portrayed the importance of investment in this particular sector by potential entrepreneurs. The workshop concluded with a lively open discussion.

Mr. Zubayer Hossen delivered a presentation at the ISLE conference held in Punjab

Mr. Zubayer Hossen, Research Economist, South Asian Network on Economic Modeling (SANEM) and Coordinator, SANEM SDG Centre presented a paper titled “Understanding the Dynamics of Female Labour Force Participation in Rural Labour Market in Bangladesh” at the 61st Annual ISLE (The Indian Society of Labour Economics) Conference on December 8, 2019. The conference was held in Punjabi University, Patiala, India during December 7-9, 2019. It was organized by Centre for Development Economics and Innovation Studies (CDEIS), Punjabi University, Patiala.

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SANEM is a non-profit research organization registered with the Registrar of Joint Stock Companies and Firms in Bangladesh. Launched in January 2007 in Dhaka, it is a network of economists and policy makers in South Asia with a special emphasis on economic modeling. The organization seeks to produce objective, high quality, country- and South Asian region-specific policy and thematic research. SANEM contributes in governments’ policy-making by providing research supports both at individual and organizational capacities. SANEM has maintained strong research collaboration with global, regional and local think-tanks, research and development organizations, universities and individual researchers.