

A seminar on

***Global Development Trends and Challenges Emerging in Asia:
Making the most of the OECD Development Centre***

19 December 2016
Iino Hall & Conference Center; Tokyo, Japan

Concept Note

The global development landscape has changed considerably over the last three decades, seeing South-South linkages increase and intensify. For example, world trade expanded almost four-fold between 1990 and 2008, but South-South trade, albeit starting from a lower base, multiplied more than 20 times. For most developing economies, the 1990s was another disappointing decade for economic growth, beset by financial crises and instability. In the 2000s, much of the developing world enjoyed the first decade of strong growth in years. The number of developing countries beginning to converge with affluent ones leapt, a phenomenon known as shifting wealth that marks a move in the centre of economic gravity to the developing world. For the first time, 2010 saw the share of non-OECD countries in the global economy surpassing that of OECD countries in terms of purchasing power parity.

China and India were leading the change, and together they accounted for almost one quarter of the global economy. However, growth in emerging market economies has slowed. The BRIICS – Brazil, Russia, India, Indonesia, China, and South Africa – were growing at an average rate of 6.3% before the 2008 global financial crisis, and 5.3% after the crisis¹. The growth prospects for China and India are expected to differ from past patterns as they face different internal conditions. China's economy slows and India's growth remains robust over the medium term, according to the OECD Development Centre's Economic Outlook for Southeast Asia, China and India 2016².

Japan is an important actor in the current scenario. It has played a pioneering role in promoting a ***“from aid to development”*** approach long before this stance became central to the global debate. Japan has been at the forefront of the view that development challenges should be addressed not only through Official Development Assistance (ODA) but also by mobilising various resources and channels, such as Other Official Flows (OOF), the private sector and non-governmental organisations/civil society organisations (NGO/CSOs). Japan has also been pioneering efforts for capacity development especially through south-south and triangular co-operation.

Given this evolving development scene, the OECD is also undergoing efforts to enhance its policy framework for development and development co-operation, and the OECD Development Centre plays a pivotal role in this framework. In fact, the Centre occupies a crucial place within the development landscape by serving as an interface between the developing and the developed world, established and emerging donors. Thanks to its membership structure, the Centre offers a “comfort zone” for its 51 members—from both OECD and non-OECD countries—to engage in frank dialogue to advance key development policy issues from the national, regional and global perspectives. The Development Centre's expertise on policy advice to developing countries complements the goals of the overall OECD Development Cluster on development co-operation. Through consistently increasing collaboration, the Development Centre, the Development Co-operation Directorate and The Sahel and West Africa Club, – which constitute the OECD Development Cluster – are building a powerful vehicle for context-specific economic development strategies that go beyond aid.

¹ OECD Secretary-General's speech on the occasion of the launch of the Perspectives on Global Development 2014, <http://www.oecd.org/about/secretary-general/launch-of-the-2014-perspectives-on-global-development.htm>

² Economic Outlook for Southeast Asia, China and India 2016: Enhancing Regional Ties, http://www.oecd.org/dev/asia-pacific/Overview%20web_light.pdf

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The Development Centre has carved out its own space in supporting economies and regions to design demand-driven policy solutions. Notably, it has led activities in Southeast Asia by developing partnerships with regional organisations and collaborating with these partners on flagship publications. For instance, the Centre's economic outlooks on Africa, Asia, China and India, as well as Latin America and the Caribbean are chief tools for highlighting regional economic trends and a wide scope of policy challenges, which rely on strong ties with regional institutions.

The first segment of this half-day seminar will present the OECD Development Centre's perspectives on global development trends and some examples of its work that are of interest to the development community in Japan. These include:

- 1) Implementing the SDGs through multi-dimensional country reviews (MDCRs):** a highly participatory process with the government, civil society and support from international organisations, the MDCRs aim primarily at identifying the binding constraints to development in a country and suggesting a strategy with specific policy recommendations and reform sequencing. This development strategy will be designed to support the multiple objectives of economic and social development and the well-being of citizens, including implementing the SDGs. The MDCRs provide recommendations to national authorities for public policy action; their findings are useful to international donors to inform their development co-operation with the country.
- 2) Facilitating economic transformation:** the Development Centre's Initiative on Global Value Chains, Production Transformation and Development encourages policy dialogue and peer learning on a variety of key areas enabling economic transformation where experience-sharing between countries can be mutually beneficial. Given Japan's comparative advantage in start-ups, robotics and the automotive industries, it would be highly valuable to have Japan's participation in this platform.
- 3) Promoting enhanced gender balance:** Discriminatory social institutions are defined as the formal and informal laws, attitudes and practices that restrict women's and girls' access to rights, justice and empowerment opportunities. These are captured in a multi-faceted approach by the Social Institutions and Gender Index (SIGI) variables that combine qualitative and quantitative data, taking into account both the de jure and de facto discrimination of social institutions. The Centre's value added in this respect relies on its gender expertise in Southeast Asia and its cross-country normative instruments that encourage "bringing knowledge to and from the region." Japan has the strong potential to become a leader in the region on gender equality.

In sum, Japan has been a significant global actor in development co-operation, not only responding to the constantly-changing development landscape, but also serving as a model and inspiration for Asian nations and beyond. The OECD Development Centre is proud to offer policy and analytical tools that could further reinforce this position and bolster Japan's visibility in development both within and beyond the region. The Centre takes pride in counting Japan among its members and values its vision on development that will continue enriching the debate with its peer members. The OECD Development Centre stands ready to expand the scope of its work with Japan to maximise the impact of this partnership and is confident that this seminar will reinvigorate the renewed co-operation with Japan.

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Discussion questions for the first segment

In the interest of having a highly interactive discussion with the audience, participants are invited to reflect on the following questions:

- In light of the new trends in global development, how can the OECD Development Centre more effectively deliver the policy tools to meet Japan's and Southeast Asia's development challenges?
- What direction will Japan take in the years to come in the field of international co-operation?
- What are Japan's avenues of collaboration with regional institutions in the area of economic transformation, and how can these be harnessed for increased synergies between Japan, its partners and the OECD Development Centre?
- How could Multi-dimensional Country Reviews (MDCRs) better support Japan's development co-operation strategy?

The second segment of the seminar will mark the regional release of the 2017 edition of the ***Economic Outlook for Southeast Asia, China and India*** with a special focus on emerging energy challenges. Initially launched in 2010 — with the financial support of Japan — the *Outlook* is a bi-annual publication on Asia's economic growth, development and regional integration process. The *Outlook* is produced in collaboration with regional partners; UNESCAP and ERIA both contributed to the 2017 edition. It is also regularly discussed in the region at the annual ***OECD-AMRO-ADB/ADB-ERIA Asian Regional Roundtable***. A tool for policy dialogue, the *Outlook* is included in the OECD Southeast Asia Regional Programme (SEARP) to provide strategic guidance and a horizontal perspective on issues and challenges. This segment will include a presentation of the recently-released third edition of the ***Revenue Statistics in Asian Countries***. This segment will also touch on the Development Centre's work on quality infrastructure financing and investment in the region.

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Discussion questions for the second segment

- What are the economic prospects for Emerging Asia in the near and medium term? What risks are most relevant for the region?
- What are the key challenges in promoting further progress on regional integration?
- What are the best policy options for encouraging the development of renewable energy projects in the region?
- What are the enabling conditions for implementing structural policy reforms?
- What role should tax revenues play as a source of infrastructure financing?

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Agenda

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| 13.00-13.30 | Welcome Remarks
<i>Kiyoshi Odawara, Parliamentary Vice-Minister for Foreign Affairs of Japan</i> |
| | Keynote Speech
<i>Toshihiro Nikai, Secretary General, Liberal Democratic Party of Japan and Member of the House of Representatives</i> 【TBC】
<i>Shinichi Kitaoka, President, Japan International Cooperation Agency (JICA)</i> |
| 13.30-14.15 | Global Development Trends and Challenges in Emerging Asia
-making the most of the OECD Development Centre
<i>Mario Pezzini, Director of the OECD Development Centre and Special Advisor to the OECD Secretary-General on Development</i> |
| 14.15-15.00 | Questions and Answers
<i>Moderated by Naoko Ueda, Deputy Director, OECD Development Centre</i> |
| 15.00-15.15 | Wrap-up of the first segment of the seminar
<i>Mario Pezzini, Director of the OECD Development Centre and Special Advisor to the OECD Secretary-General on Development</i> |
| 15.15-15.45 | Coffee break |
| 15.45-16.00 | Introduction to the second segment of the seminar
<i>Naoko Ueda, Deputy Director, OECD Development Centre</i> |
| 16.00-16.30 | Regional release of the 2017 edition of Economic Outlook for Southeast Asia, China and India
and 3rd edition of Revenue Statistics in Asian Countries
<i>Kensuke Tanaka, Head of Asia Desk, OECD Development Centre</i> |
| 16.30-17.15 | Comments and Presentations
<i>Naohiro Kitano, Director, JICA Research Institute (JICA-RI)</i>
<i>Fauziah Zen, Economist, Economic Research Institute for ASEAN and East Asia (ERIA)</i> |
| 17.15-18.00 | Questions and Answers
<i>Moderated by Naoko Ueda, Deputy Director, OECD Development Centre</i> |
| 18.00-18.15 | Concluding Remarks
<i>Mario Pezzini, Director of the OECD Development Centre and Special Advisor to the OECD Secretary-General on Development</i> |