

“Russia`s Integration Initiatives in the Asia-Pacific Region: Contribution to the SDGs”

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Dear colleagues,

It is pleasure for me to attend the Phnom Penh workshop **representing the Russian Presidential Academy of National Economy and Public Administration.**

In my presentation I would like to highlight **Russia`s integration initiatives in the Asia-Pacific** which can promote trade and economic growth, and thus help the less developed countries of the region to achieve the Sustainable Development Goals.

As you know, Russia, being a permanent member of the United Nations Security Council and a participant of a number of influential international organizations, regional frameworks, inter-State dialogues and cooperation mechanisms, has steadily increased support to development, which rose from USD302.14 in 2010 to USD902.12 million in 2015. Russia has also been expanding its contribution to the regional development banks. It is a co-founder of the Asian Infrastructure Investment Bank, and third shareholder by the size of subscription capital of 6.5 billion dollars. Russia`s contribution to the BRICS New Development Bank amounts to 2 billion dollars.

As our Foreign Minister Mr. Sergey Lavrov said at the United Nations Summit for the Adoption of the Post-2015 Development Agenda,¹ Russia stands ready to actively support successful implementation of the 2030 Agenda for Development. One of the means to do it is **promotion of regional integration** as an important mechanism to increases mutual confidence; stimulate investment, fair trade, human capital and infrastructure development.

Russia is a participant of the major integration initiatives in the region, including the Asia-Pacific Economic Cooperation (APEC), closely cooperates with the Association of Southeast Asian Nations (ASEAN), has established the Eurasian Economic Union which seeks for concluding of free trade agreements with the regional alliances and selected countries.

According to the World Bank`s methodology, ten countries of the region are less developed, namely Bangladesh, Bhutan, Cambodia, Lao PDR, Myanmar, Nepal, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu.² **Three of them are ASEAN members: Cambodia, Lao PDR and Myanmar.**

Russia has a long-term partnership with the Association of Southeast Asian Nations. ASEAN - Russia Dialogue was launched in July 1991 when Russian representatives were invited by the Malaysian Government to attend the Ministerial Meeting of the Association. Russia became a full Dialogue Partner of the Association in July 1996.³

The key areas of cooperation between Russia and the ASEAN Member States were set out in the Agreement between the Governments of the Member States of the Association and the Government of the Russian Federation on Economic and Development Cooperation signed in 2005 during the leaders' meeting in Kuala Lumpur. They include economy, trade, investment, research, technology and culture.

The ASEAN – Russian Federation Commemorative Summit held in May 2016 in Sochi concluded with the adoption of a number of the documents laying the base for development cooperation. Thus, in the Joint Declaration “Moving towards a Strategic

¹ Statement by H.E. Mr. Sergey Lavrov at the UN Summit for the Adoption of the Post-2015 Development Agenda. <https://sustainabledevelopment.un.org/content/documents/20903russian-fed-eng-pdf>

² Least developed countries: UN classification. <https://data.worldbank.org/region/least-developed-countries:-un-classification>

³ HISTORY OF ASEAN — RUSSIA DIALOGUE PARTNERSHIP. http://en.russia-asean20.ru/russia_asean/20160309/9413.html

Partnership for Mutual Benefit” Russia committed **to support the ASEAN’s efforts in narrowing the development gap within and between ASEAN Member States**. The Comprehensive plan of action to promote cooperation between the Association of Southeast Asian nations and the Russian Federation for 2016-2020 spells out concrete measures to be implemented by Russia for capacity development of the ASEAN member states, **including provision of training services and technical assistance at the Moscow International Training and Methodology Centre for Financial Monitoring and technical assistance and capacity building from Russia to ASEAN Member States to address infectious diseases**.

Moreover, at the Sochi summit participants discussed **the establishment of a comprehensive free trade zone between the Eurasian Economic Union and the Association**.

It should be noted that in 2015 Russia also **put forward a proposal on forming Eurasian Comprehensive Partnership which would include the Eurasian Economic Union, the Association of Southeast Asian nations and Shanghai Cooperation Organisation**.⁴

Russia’s foreign direct investment to ASEAN rose from USD28.92 million in 2015 to USD56.61 million in 2016.⁵

The Eurasian Economic Commission achieved significant results in promoting free trade and investment with the Asia-Pacific countries.

The Vietnam-Eurasian Economic Union Free Trade Agreement took effect on 5 October 2016.⁶ According to the agreement, Vietnam and the Eurasian Economic Union reduce and/or eliminate customs duties on 87% of goods originating in the other party. Vietnam-EAEU trade is expected to rise to US10 billion by 2020 thanks to the FTA.

On 4 October 2017, **the economic and trade cooperation agreement between China and the Eurasian Economic Union was signed**.⁷ The agreement will further reduce non-tariff trade barriers, improve trade facilitation, promote integration of China-proposed Belt and Road Initiative with Russia-led Eurasian Economic Union, and boost the development of economic and trade partnership between China and the Eurasian Economic Union member countries generating positive externalities for the regional states.

The Eurasian Economic Commission also negotiates the free trade agreement with India.⁸

Both China and India have common free trade areas with the Association, so in principle their FTAs with the Eurasian Economic Union could provide additional benefits for the Association’s member states.

Finally I would like to bring to your notice Russian business` potential which could help the less developed countries of the Asia-Pacific to achieve the SDGs. Russian companies are strongly committed to contributing to SDGs attainment through their corporate projects and practices with responsible business conduct at their core. The leading Russian business association - **Russian Union of Industrialists and Entrepreneurs** in cooperation with the International Labour Organization is preparing a new report on the Russian companies` best corporate practices aimed at implementing the SDGs to be presented at the Russian Business Week in February 2018.

⁴ Presidential Address to the Federal Assembly. <http://en.kremlin.ru/events/president/news/50864>

⁵ ASEAN Trade and FDI Statistics Database as of July 2017.

⁶ Vietnam-EAEU free trade agreement to take effect on October 5. <http://wtocenter.vn/other-agreement/vietnam-eaeu-free-trade-agreement-take-effect-october-5>

⁷ China Signs Economic and Trade Partnership Deal with EAEU. <http://infobrics.org/news/25777/>

⁸ EAEU and India began formal negotiations on a free trade agreement. <http://www.eurasiancommission.org/en/nae/news/Pages/3-06-2017.aspx>

One of the examples is **Sakhalin Energy company**.⁹ The company has implemented a **grievance mechanism** which has been praised both in Russia and abroad. Sakhalin Energy became one of five companies worldwide to test the UN Guiding Principles on Business and Human Rights and participated in the development of the Oil and Gas Sector Guide on implementing these Principles. Sakhalin Energy pays special attention to environment protection. The company carries out regular industrial environmental control and implements a number of local environmental monitoring and biodiversity conservation programmes. The company is ready to share its best practices with the international partners.

To sum up, Russia is a responsible partner of the Asia-Pacific countries in implementing the SDGs, through its direct development assistance, business activities in the APR countries and promoting regional integration. However, the potential for cooperation is not fully released. Governments and business, civil society and academia should bring their efforts together to implement SDGs in the interest of all citizens.

⁹ Sakhalin Energy's experience in introduction of Sustainable Development Goals. http://www.sakhalinenergy.ru/en/media-centre/news/item.wbp?article_id=49230127-ef8c-499a-b61f-66d69fe8dddb&date=07%C2%A0September%C2%A02017