



Trade and the new global development framework

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Outline

- Introduction
- Overview of the new global development framework
- Trade within the AAAA and the 2030 Agenda
- Emerging policy issues
- ESCAP's work related to trade and SDGs



Introduction





Context

- One billion people live on less than \$2 a day
- 1% of the world population consumes roughly 30% of world resources
- Climate change could drive 122 million more people into extreme poverty by 2030



Development → Sustainable Development

“...development that meets the **needs** of the present without compromising the ability of future generations to meet their own needs”





Two defining moments of the new global development agenda

I. The Third International Conference on Financing for Development (Ffd3), 13 – 16 July 2015, Addis Ababa, Ethiopia

Addis Ababa Action Agenda (AAAA)

A new global framework for financing sustainable development that aligns all financing flows and policies with economic, social and environmental priorities





Action Areas of the AAAA

- A. Domestic public resources
- B. Domestic and international private business and finance
- C. International development cooperation
- D. International trade as an engine for development**
- E. Debt and debt sustainability
- F. Addressing systemic issues
- G. Science, technology, innovation and capacity building





II. United Nations Sustainable Development Summit 2015, 25 - 27 September 2015, New York

The 2030 agenda for sustainable development

- It is a global agenda adopted by world leaders
- Consists of 17 goals and 169 associated targets
- The focus is to cover 5 P's : **PEOPLE, PROSPERITY, PEACE, PLANET AND PARTNERSHIP**



17 SDGs



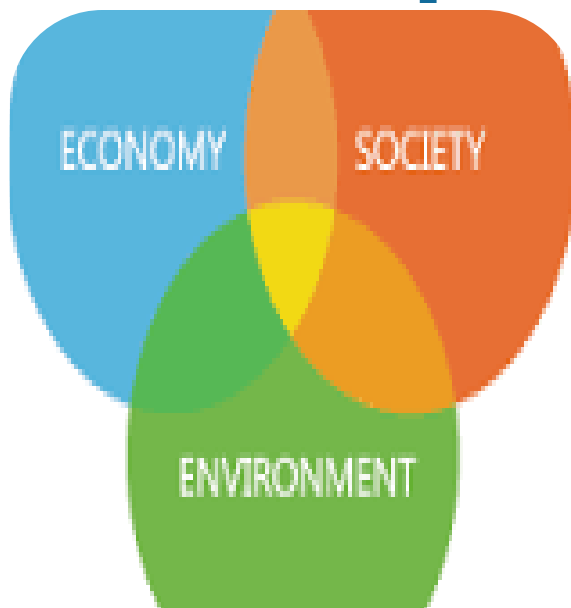


The 2030 Agenda : Structure

- Declaration
 - collective development priorities, values and principles
- 17 SDGs and 169 targets
- How the agenda will be achieved through means of implementation and global partnership
- Review and follow up mechanism



Features of the new global development framework



Comprehensive



Integrated



Universal



Unprecedented consultations



Inclusive





Key difference between AAAA & the 2030 agenda

- The 2030 Agenda - organized around the SDGs, or around goals and outcomes
- The AAAA - structured around different financial and non - financial means of implementation (action areas)
- Each of the AAAA action area speaks to different SDGs



Trade & the new global development framework





**International trade is an engine for
inclusive economic growth and
poverty reduction, and contributes to
the promotion of sustainable
development**





Trade is featured as a means of implementation

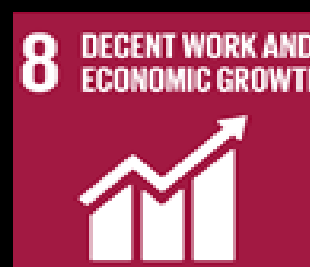
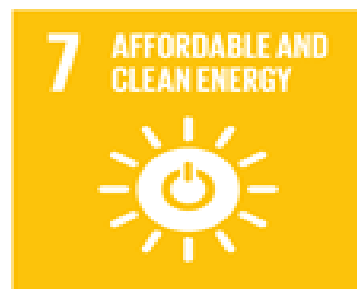
- Prominently in SDG 17 on ‘means of implementation and partnership’
- Tailored to (some) of the SDGs (targets and indicators)
- **12** out of the **17** SDGs contain targets that are closely linked to trade
- **35** out of **169** targets either explicitly mention trade and investment or are closely linked to it



SDGs directly featuring trade targets



SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



Goal	Goals and Targets	Indicators
SDG 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
(AAAA 83)	2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round	2.b.1 Producer Support Estimate
		2.b.2 Agricultural export subsidies
SDG 3	Ensure healthy lives and promote well-being for all at all ages	
(AAAA 86)	3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all	3.b.1 Proportion of the population with access to affordable medicines and vaccines on a sustainable basis
		3.b.2 Total net official development assistance to the medical research and basic health sectors
SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
(AAAA 90)	8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries	8.a.1 Aid for Trade commitments and disbursements
SDG 10	Reduce inequality within and among countries	
(AAAA 84)	10.a Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements	10.a.1 Proportion of tariff lines applied to imports from least developed countries/developing countries with zero-tariff
SDG 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	
(AAAA 83)	14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation	14.6.1 Progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing
SDG 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	
(AAAA 79, 80, 83)	17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda	17.10.1 Worldwide weighted tariff-average
(AAAA 82)	17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020.	17.11.1 Developing countries’ and least developed countries’ share of global exports
(AAAA 85)	17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access	17.12.1 Average tariffs faced by developing countries, least developed countries and small island developing States

References to Trade within the 2030 agenda



Trade Governance Framework

- Promote universal, rule-based, open, non-discriminatory and equitable multilateral trading system
- Conclude Doha round negotiations
- Principle of special and differential treatment
- Take advantage of existing flexibilities offered by WTO rules (TRIPS and Public health)

Trade and Trade Policy measures

- Doubling share of LDC export by 2020
- Correct and prevent trade distortions and restrictions in agriculture market (subsidies)
- DFQF for all LDCs
- Increase AFT support
- Prohibit fisheries subsidies

Indirect References

- international cooperation to facilitate access to clean energy (environmental goods and services trade)
- Sustainable public procurement practices (GPA negotiations)
- SME integration into value chains and markets
- Expand access to banking, insurance and financial services (Trade in services)





Trade & AAAA

Accelerate accession to the WTO (#83)

Emphasizes the importance of policy coherence, and commits countries to craft trade and investment agreements with appropriate safeguards so as not to constrain domestic policies and regulation in the public interest (#87)

We call on the development banks to provide and increase market-oriented **trade finance** and to examine ways to address market failures associated with trade finance. (#81)





Trade & AAAA

Invites the General Council of WTO to consider how it can contribute to sustainable development. (#86)

We recognize the significant potential of regional economic integration and interconnectivity to promote inclusive growth and sustainable development, and commit to strengthen regional cooperation and regional trade agreements.

We will strengthen coherence and consistency among bilateral and regional trade and investment agreements, and to ensure they are compatible with WTO rules.



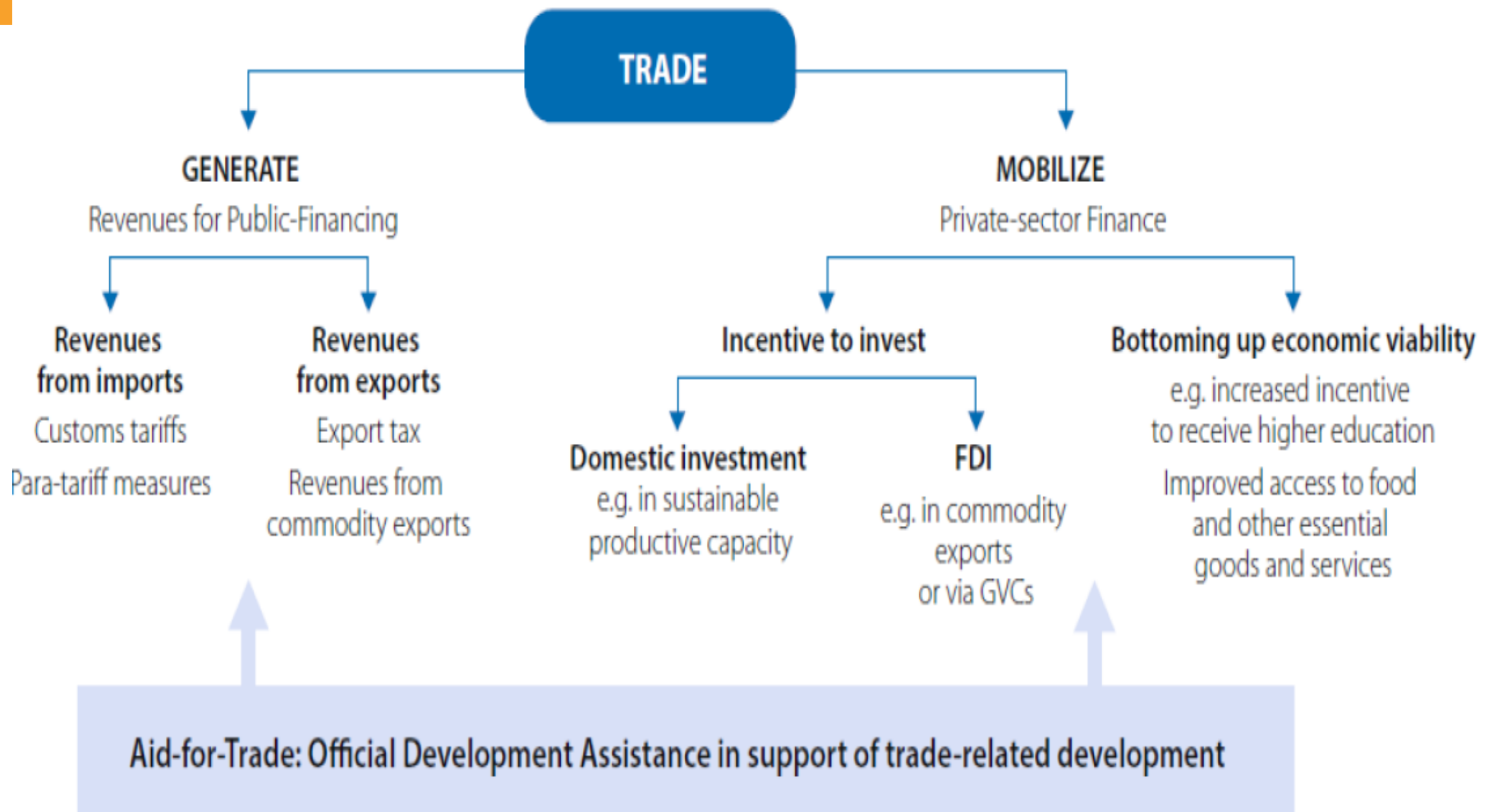


Trade Policy Measures and SDGs

NTMs	Export Subsidy (SDG 2, 14)		
IPRs (SDG 3)			
Rules of Origin (SDG 17)	Producer Support (SDG 2)	Tariffs (SDG 10, 17)	Aid for trade (SDG 8)



Trade as a source of finance for development



Source: UNCTAD

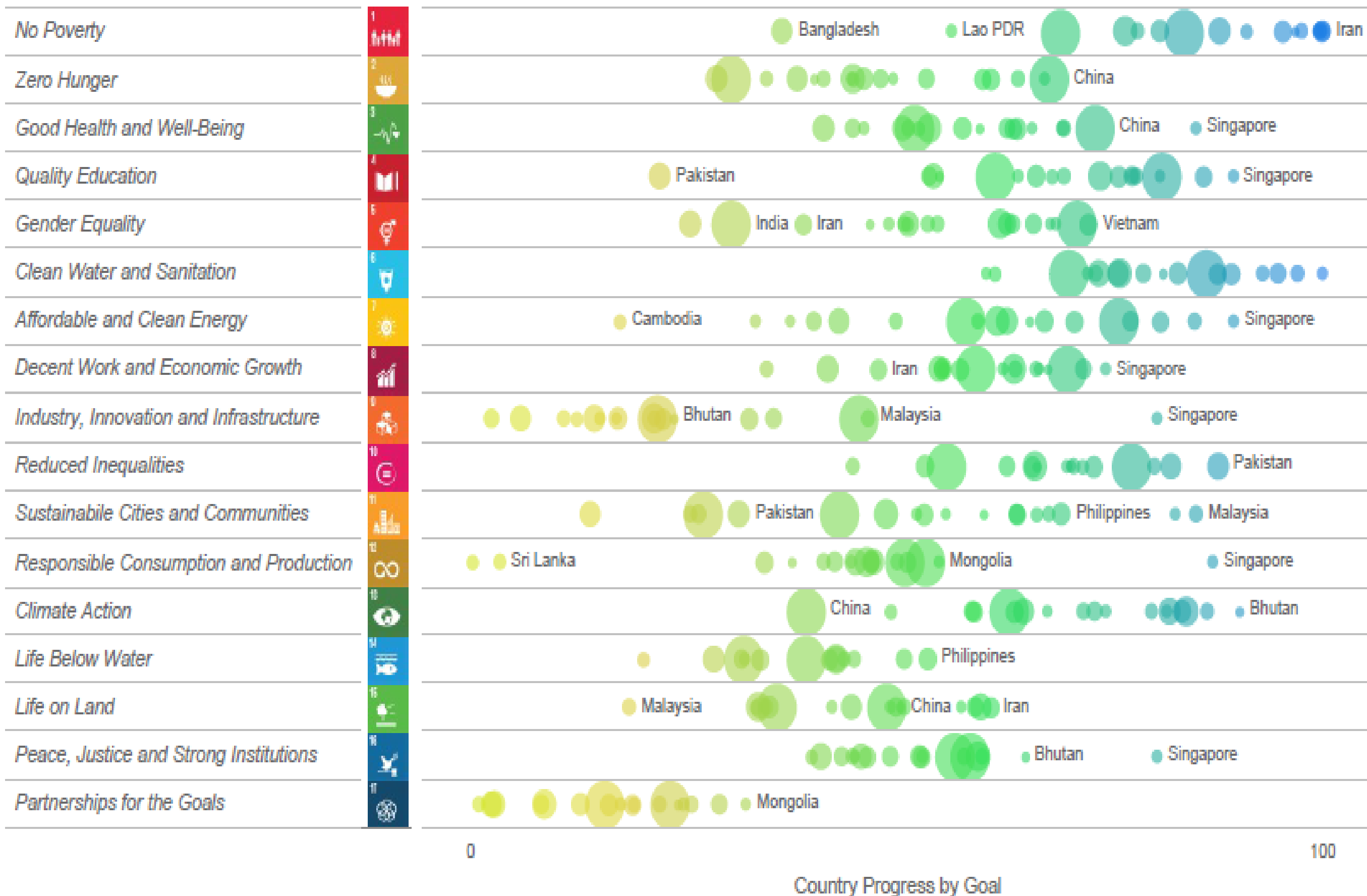




Monitoring progress towards SDGs

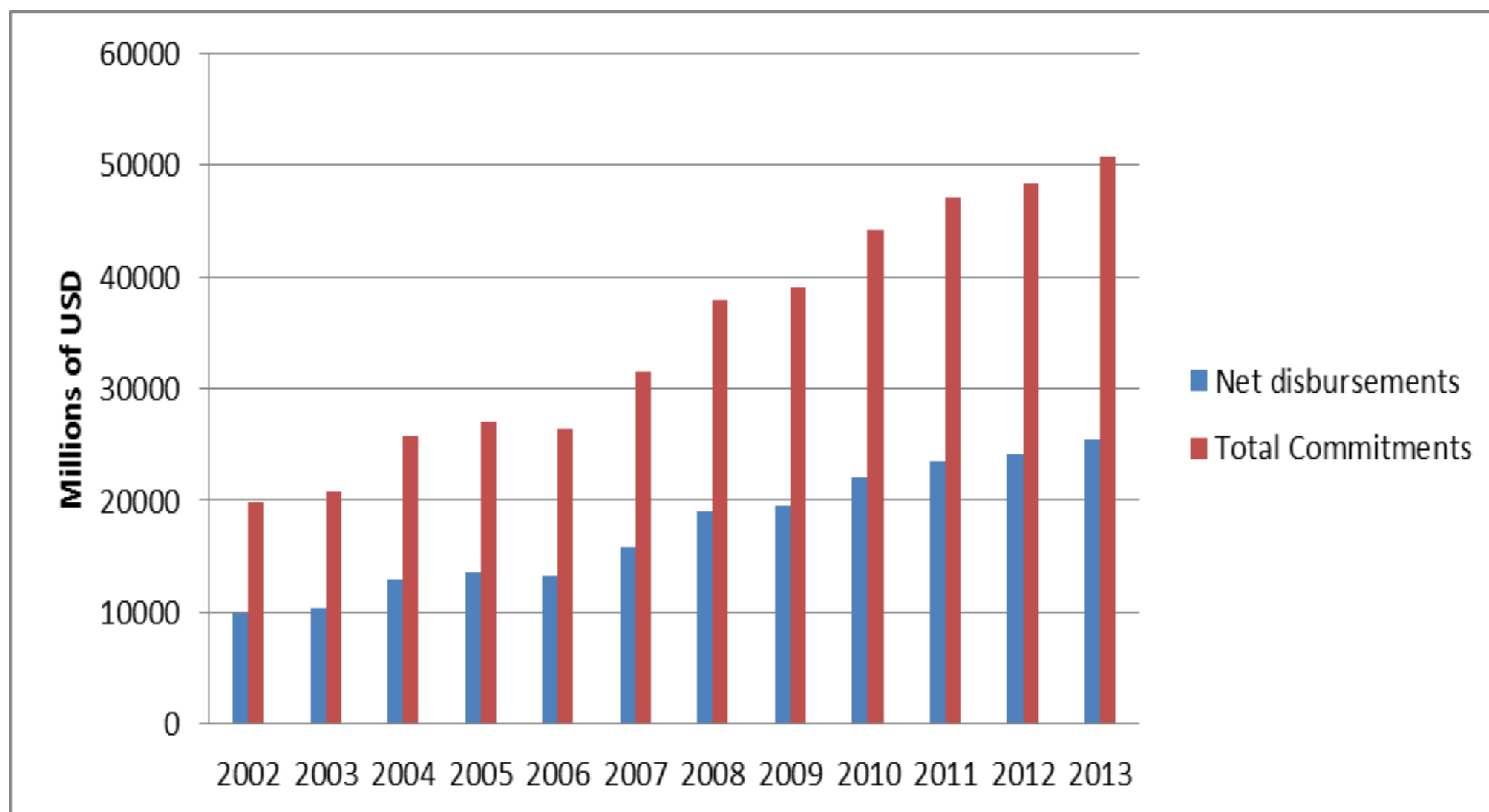


Each circle represents a country sized by population. Hover over to highlight country's performance on each of the goals.



Source: <http://sdgindex.org/data/dashboards/>

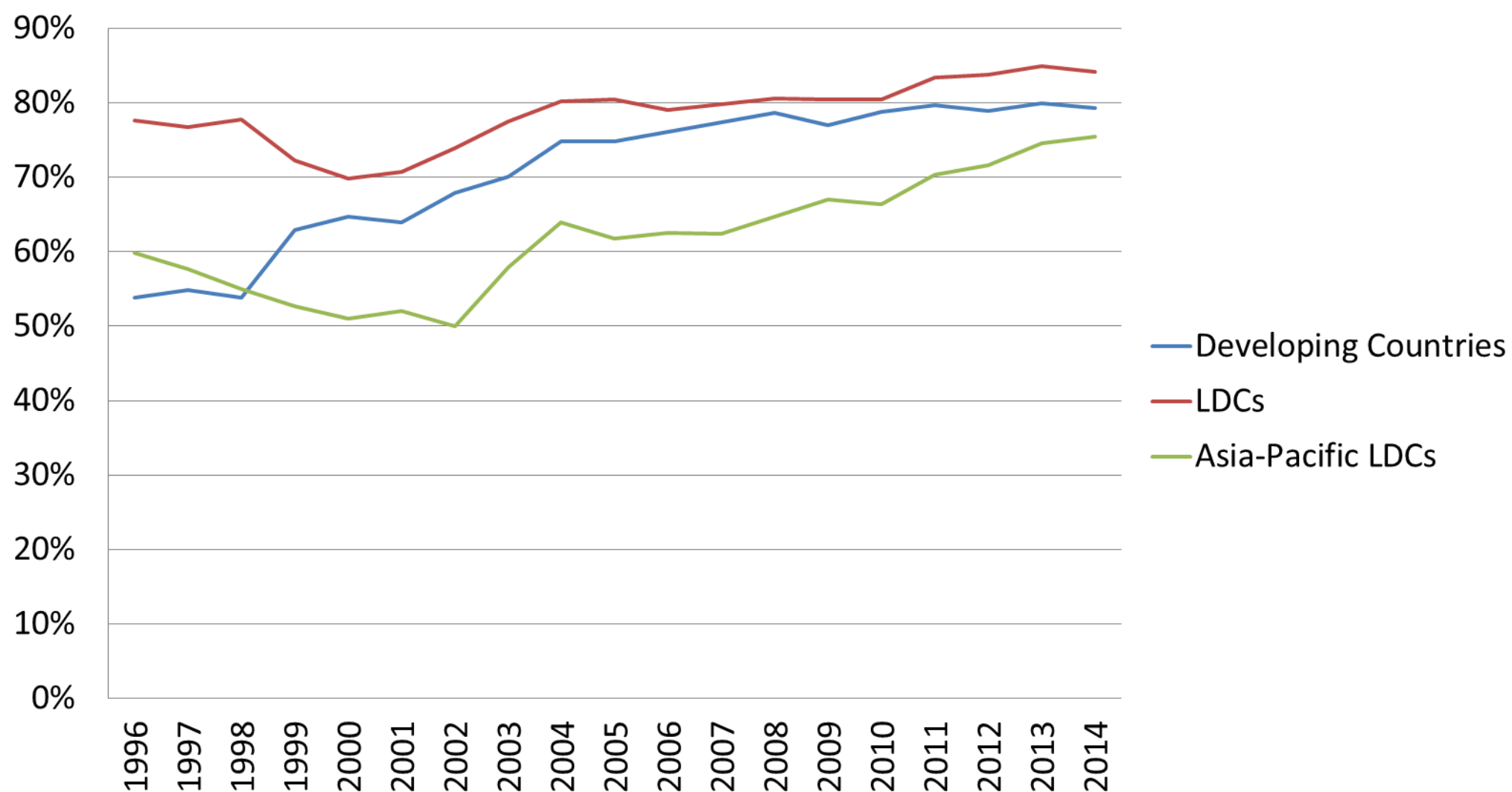
8.a.1 Aid for Trade Commitment and Disbursements to Asia-Pacific developing countries



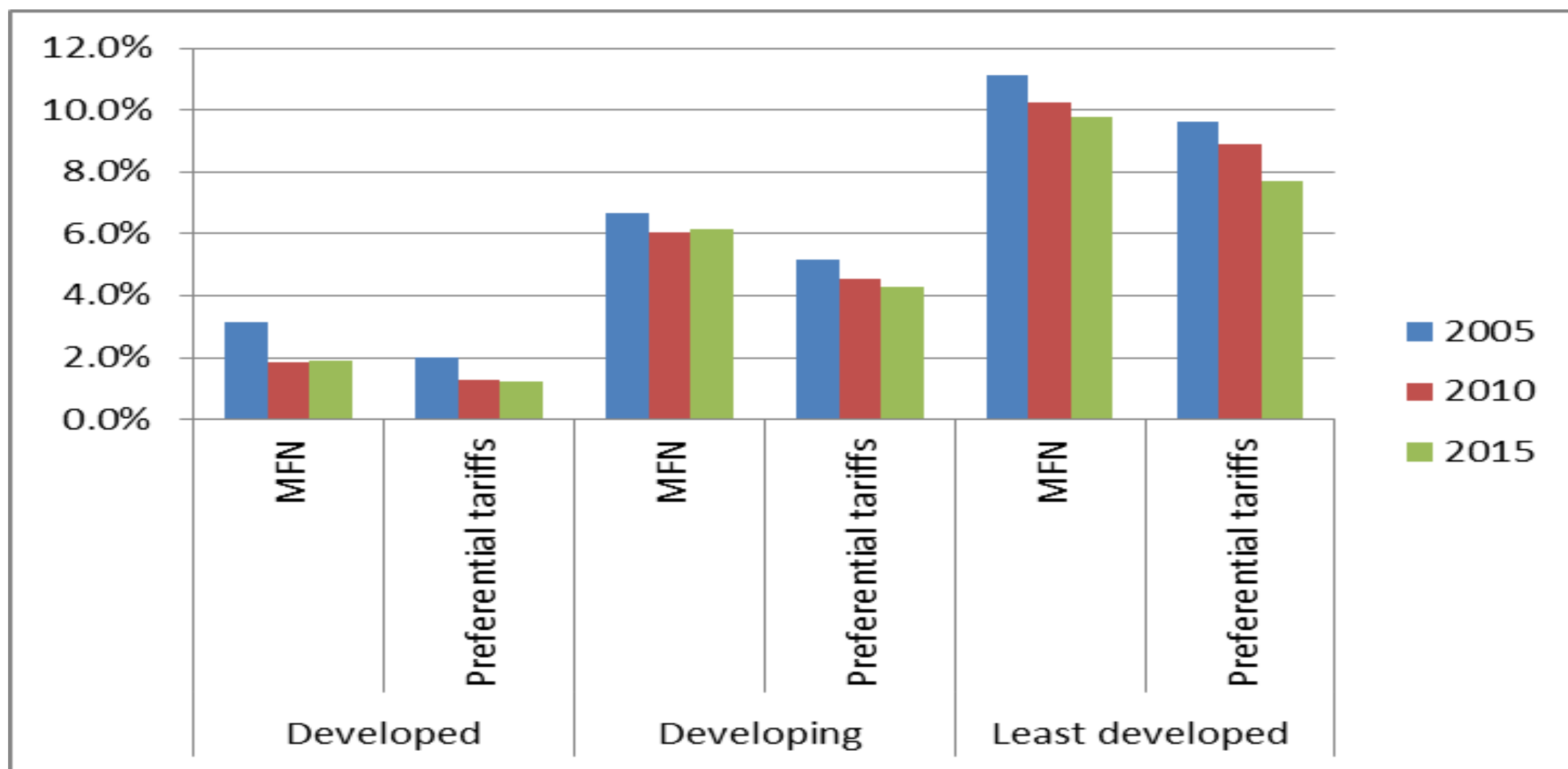
Source: OECD



10.a.1 (proxy) Proportion of developed country imports (excluding oil and arms) originating from developing countries that are admitted duty free



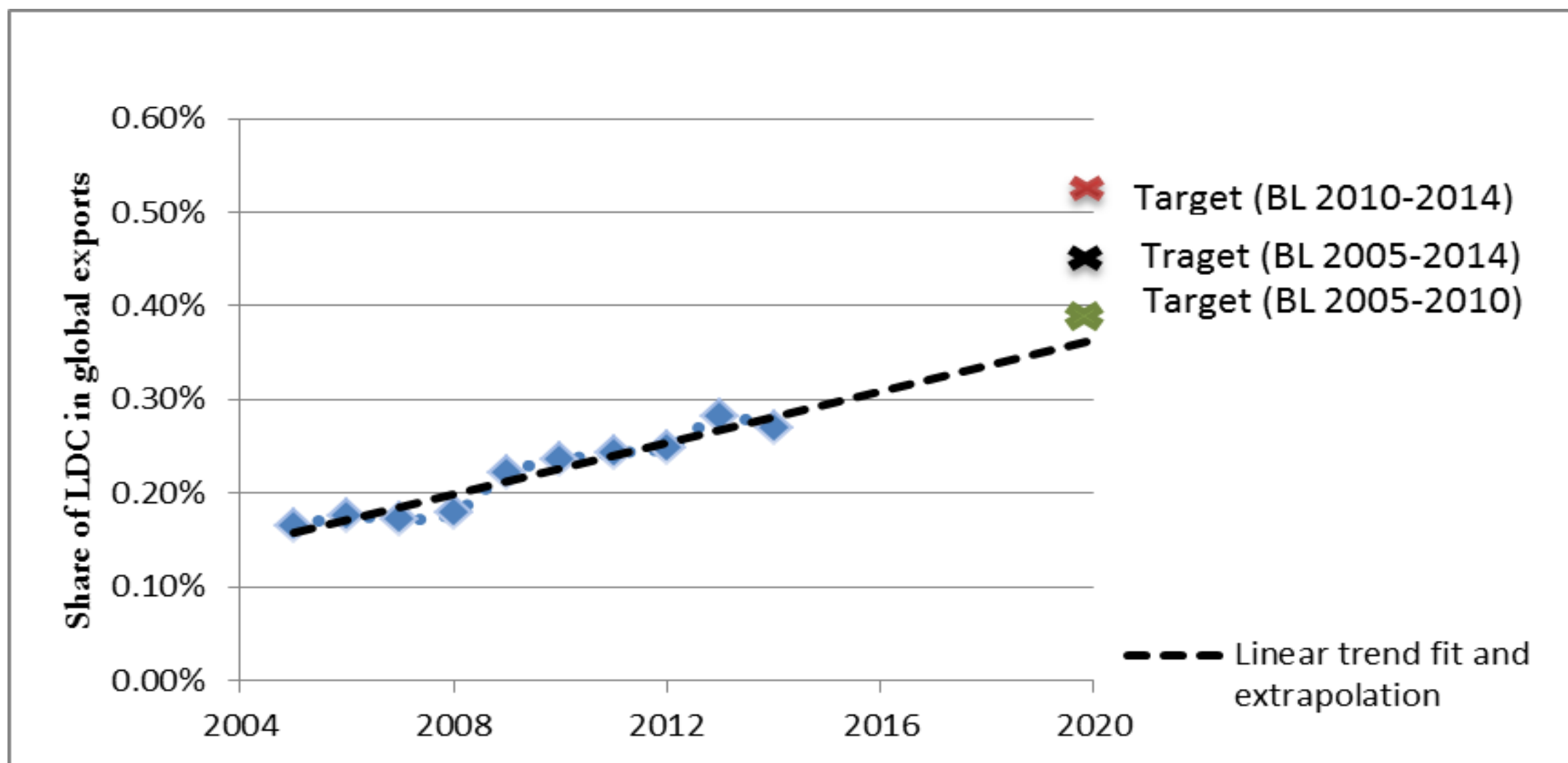
17.10.1 World weighted tariff averages



Source: WTO



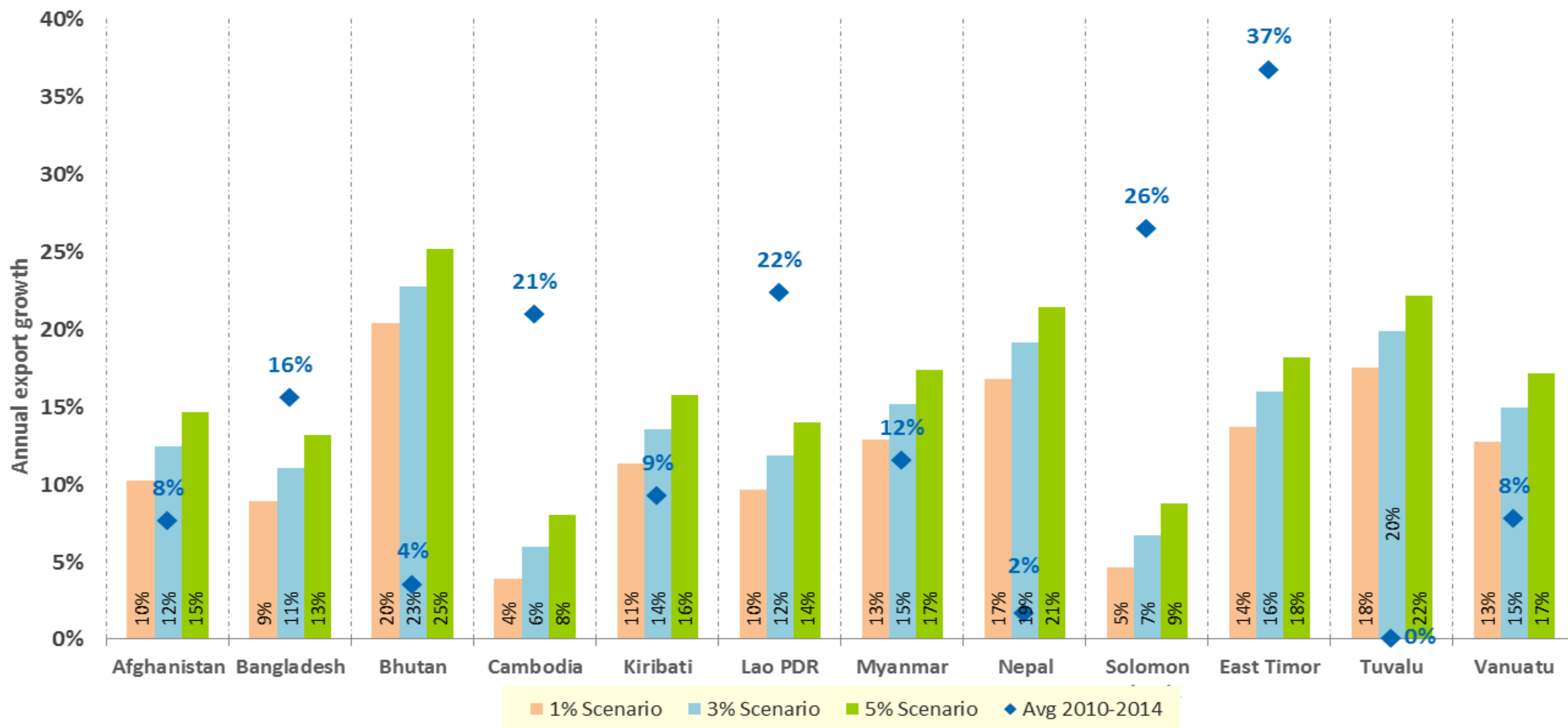
17.11.1 Share of Asia-Pacific LDC in Global exports



Source: ESCAP Compilation

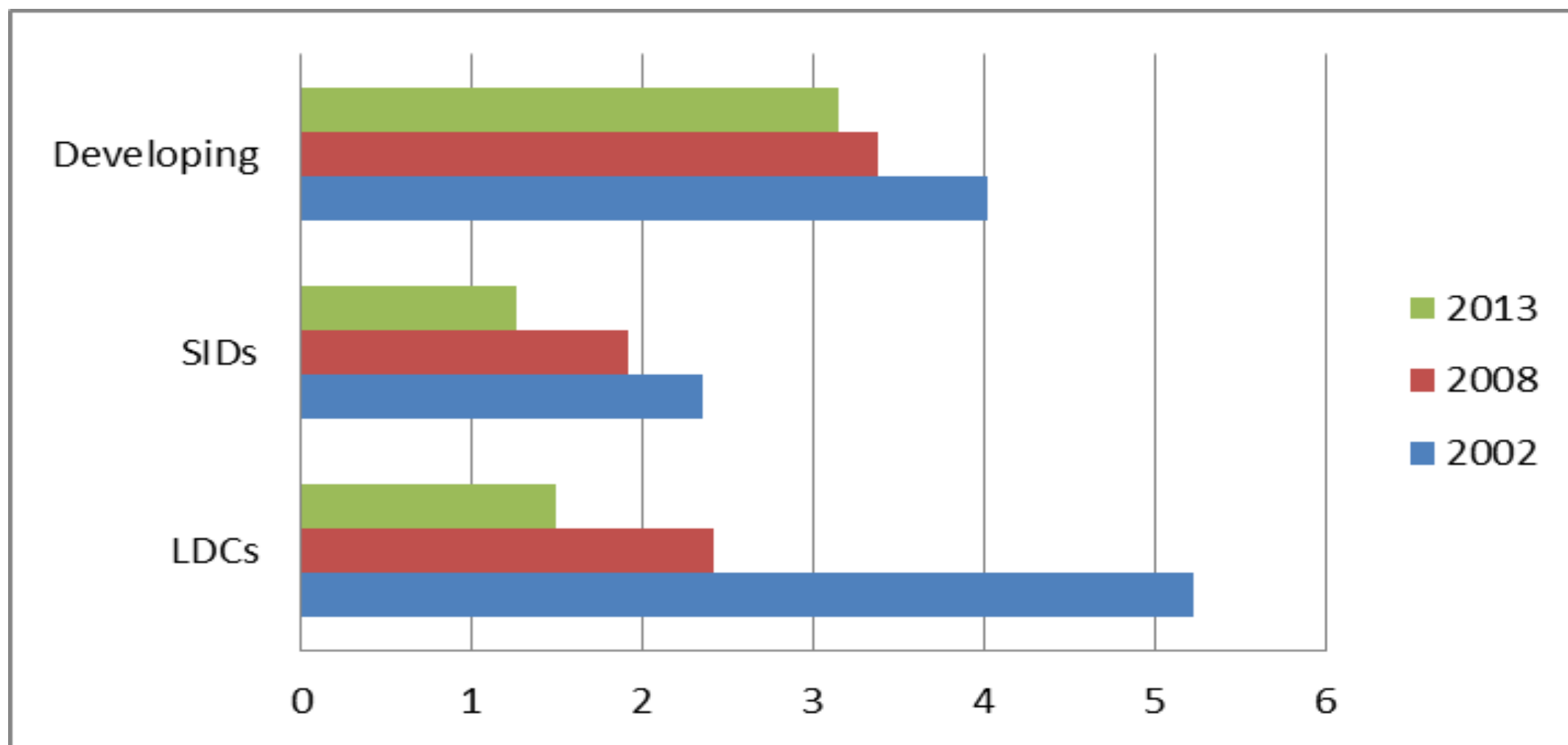


17.11.1 Annual average export growth rates (2015-2020) required to double share of global exports of LDCs contrasted with historic performance, under three global growth scenarios

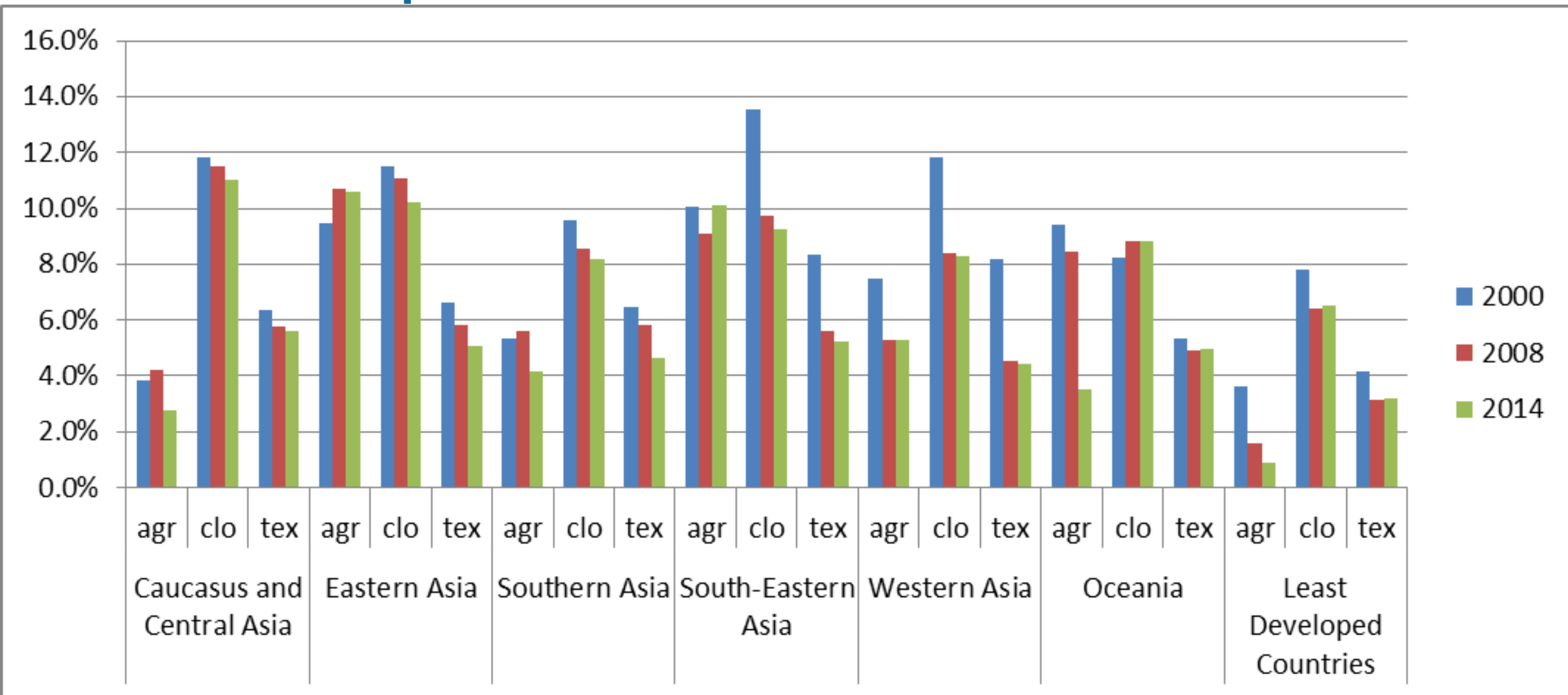


Source: ESCAP Trade Insights Issue No 15

17.12.1 Average Applied Tariffs by high-income countries to imports from different country groups from Asia-Pacific




17.12.1 Developed countries' average tariffs on imports of key products from developing countries and least developed countries



Source: WTO





**Can these quantifiable indicators
capture the full extent of linkages
between trade and sustainable
development ?**

Are these relevant to current realities ?

Is it forward looking ?





Emerging Policy Issues

- Some significant omissions related to trade within SDGs
 - NTMs
 - Composition and quality of exports
 - Imports
 - Trade costs and trade facilitation
 - Complementary domestic enabling policies (AAAA)
 - Services trade and digital trade
 - Others ?





Emerging Policy Issues

- PTA proliferation and preference erosion of LDCs
- Implications of plurilateral trade agreements on sustainable development (example: EGA)
- Integrating trade with other means of implementation

“We reiterate that this Agenda and the Sustainable Development Goals and targets, including the means of implementation are universal, indivisible and interlinked”

para 71, the 2030 agenda





ESCAP's Work Related to Trade and SDGs

Capacity-Building

- Enhancing understanding and assessment of the impact of trade policy instruments on achieving trade related (and other) SDGs
- Development of trade facilitation implementation support tools
- Strengthening trade negotiations capacity within member states of the region
- Improving Aid for Trade effectiveness including through regional cooperation
- ARTNeT online course on trade and SDGs
- Statistical needs to monitor and review trade related SDGs

Research & Analysis

- APTIR 2017 with a focus on trade and SDGs
- Analytical work on trade and different dimensions of SDGs
- Databases and surveys (Egs. ESCAP-World Bank trade costs database, APTIAD, ARTNeT)

Promoting Knowledge Networks

- ARTNeT expert group on Trade and SDGs



Thank you



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