

REGIONAL WORKSHOP ON LEAST DEVELOPED COUNTRIES AND LEVERAGING TRADE AS A MEANS OF IMPLEMENTATION FOR THE 2030 AGENDA

Session 10

Evidence-based policy for achieving SDGs: trade- related targets and indicators

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Agenda

- **The need of evidence for policymaking**
- **The need of evidence for achieving Agenda 2030**
- **Trade-related evidence for achieving SDG**
 - Trade-related targets and indicators in Agenda 2030
 - What is missing?
 - Filling the gap

Policymaking and the achievement of SDG

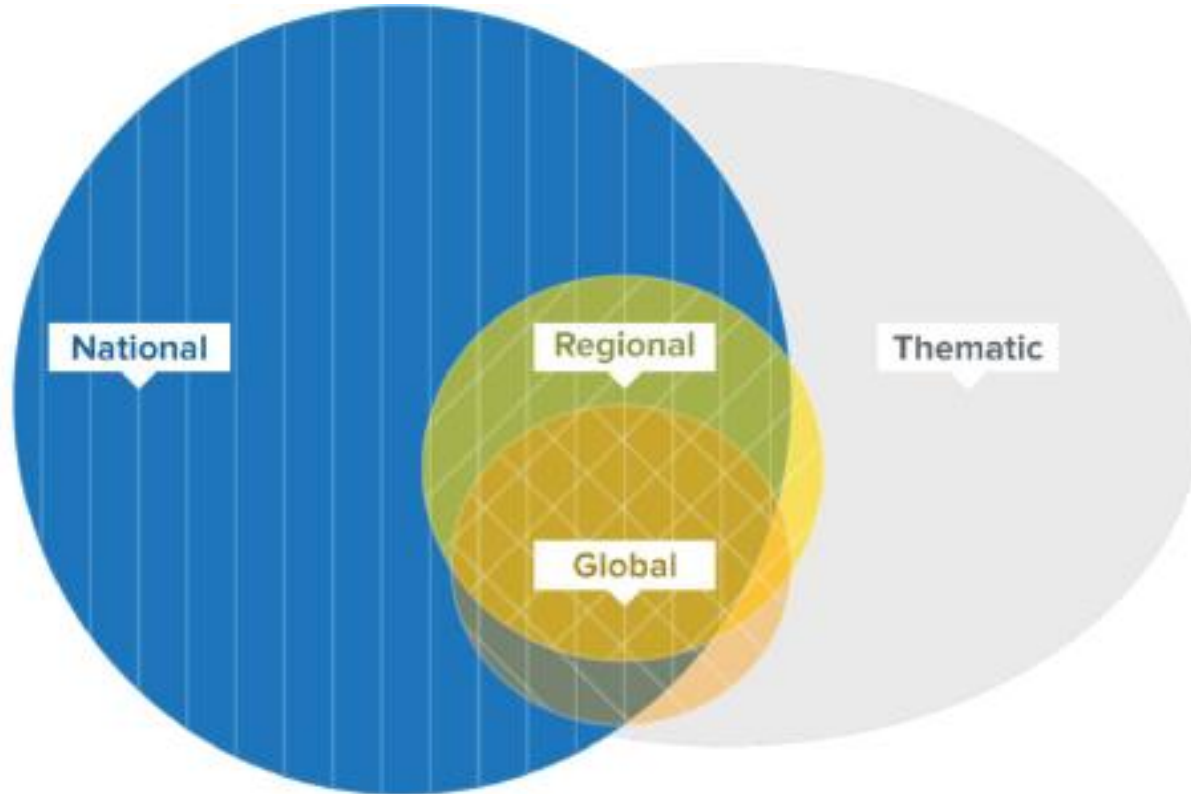
“SDG goals and targets are defined as aspirational and global, but each Government should set its own national prioritized targets guided by the global level of ambition but taking into account national circumstances” (SDSN, 2015)

- SDG-policy questions :
 - What are prioritized goals and targets of your countries?
 - How the prioritized targets will be integrated into national processes?
 - How to implement policy strategies to achieve those goals?
 - How to track progress in national implementation plans?
- Need evidence to inform how to turn the SDGs and their targets into a **management tool** to help countries and the global community develop implementation strategies and allocate resources accordingly.

The use of evidence for Agenda 2030

- National **priority setting**,
- **Comparing** the country with its peer.
- Monitoring goals and targets that **address weak points in implementation**
- Informing appropriate **policy actions**
- Indicating the **need** for capacity building and assistance.

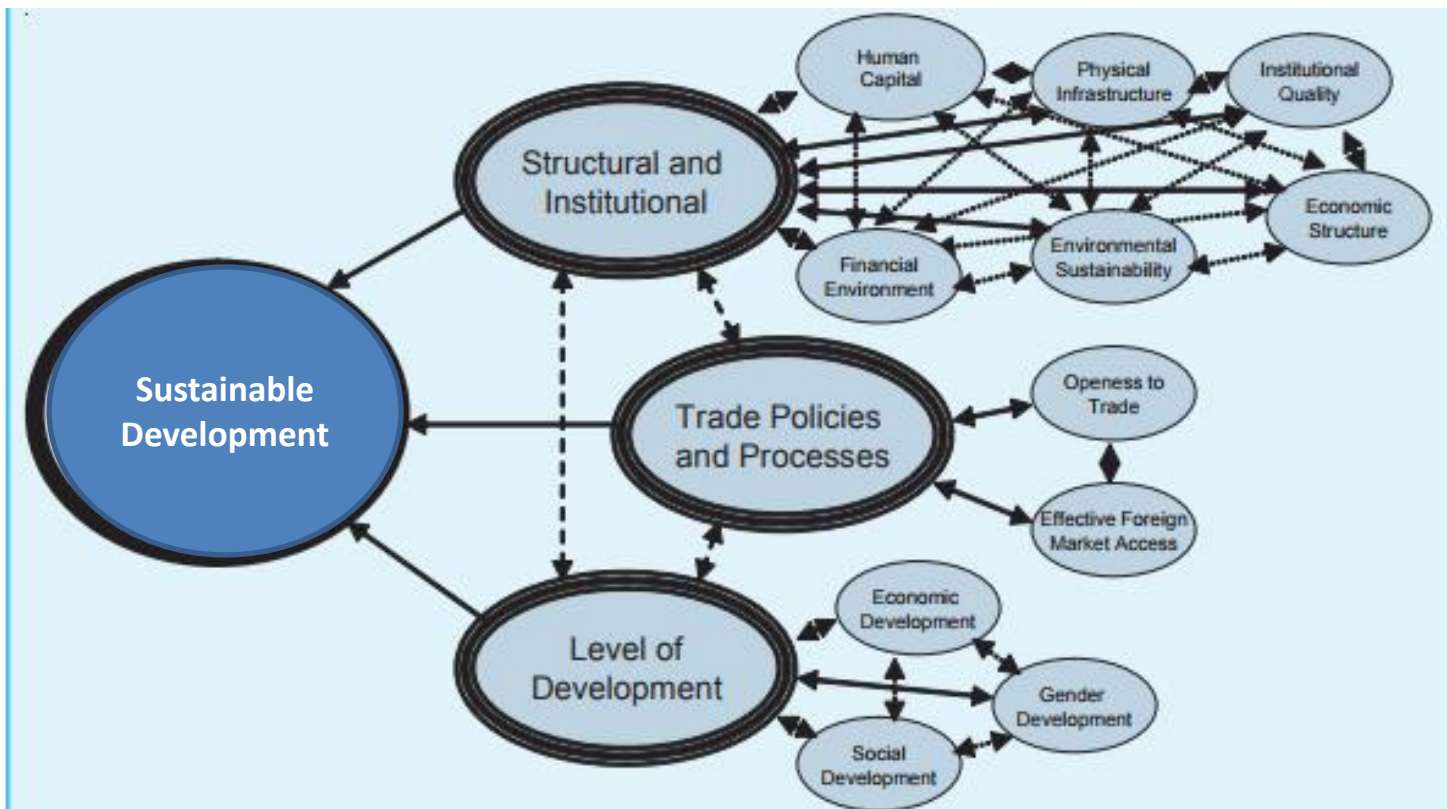
Framework of SDG monitoring indicators



Source: Sustainable Development Solutions Network (2015)

TRADE AND SDG

Where does trade sit in the process toward sustainable development?



It is trade policies that is a driving component. It is not “export performance”.

Trade in the 2030 Agenda

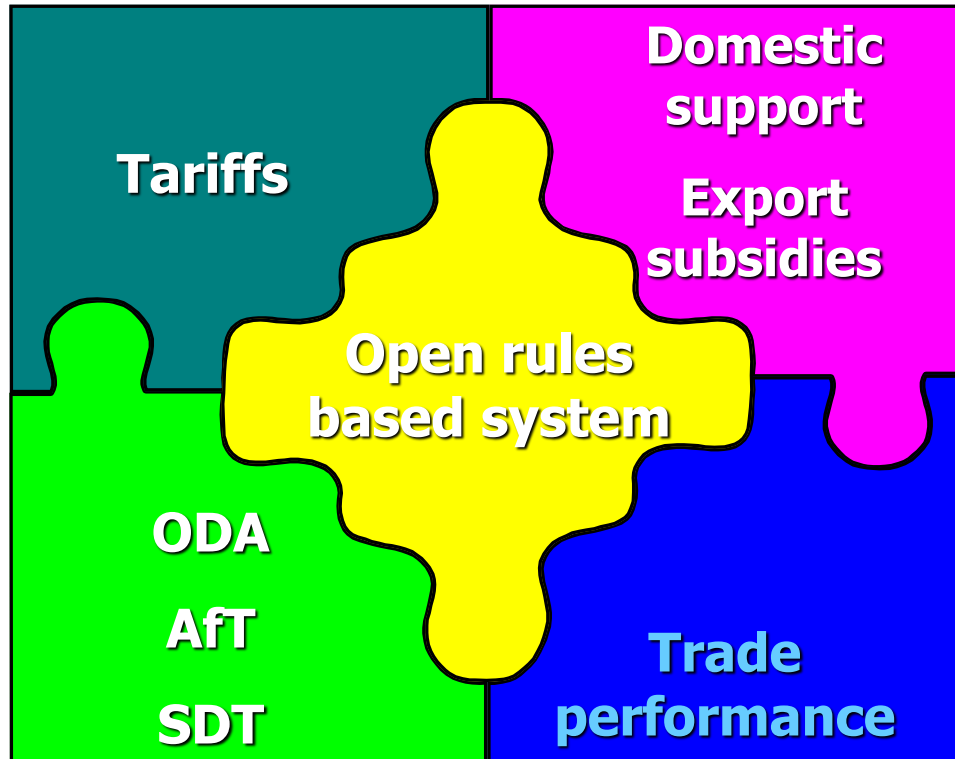
- Trade (and FDI) can link to the country's outcome and achievement in most SDG goals (at least 13 out of 17 goals)
- Trade is not a target in itself. Among the 169 SDG targets, only 6 targets are explicitly mentioning trade.
- Trade-related targets are not always measured based on trade indicators.
- From 230 SDG indicators, explicit trade-related indicators are only 6.

Trade-related goals	Trade-related targets	Trade indicators
1 End poverty		
2 zero hunger	2b AG trade distortion	2.b.1 Agriculture export subsidies
3 Healthy lives	3b TRIPs flexibility	
6 Water		
7 Energy		
8 Decent work	8a Aid for trade	8.a.1 Aid for trade disbursement
9 Industrialization		
10 Inequality	10a SDT	10.a.1 zero-tariff for imports from LDCs
12 sustainable consumption and production		
14 Oceans	14.6 fishery subsidies negotiation	
15 forest and land		
16 institution		
17 means of implementation	17.10 WTO 17.11 LDCs exports 17.12 DFQF	17.10.1 global tariff avg. 17.11.1 share of LDCs in global exports 17.12.1 Tariffs faced by LDCs

Existing targets and indicators

- Goals are more ambitious than targets, targets are more ambitious than indicators.
- Explicitly focus on expanding exports
- Implicitly recognize the importance of maintaining an open trade regime

What is missing?



- Barriers to trade are increasingly beyond tariffs.
- Trade performance is determined by international and DOMESTIC policies
- It does not pay attentions on 21st century nature of trade and production
 - Servicification
 - GVCs
 - Technology: information, communication, transportation, automation

Implications

- To achieve “sustainable development”, trade matters.
- Statistical evidence on trade and impacts of trade policy are essential for national process policymaking and implementation.
- The list of official SDG indicators will not provide sufficient input into this process.

FILLING THE GAP

Trade-related goals and targets

- The role of an institutional framework (WTO elements)
 - Targets under goal 2,3,8,10,14,17
- The functions of trade
 - Affecting the achievement under goal 1, 2,3,6,7,8, 9, 10,12,14,15, 16,17
 - No explicit trade-related target, no explicit trade indicator
 - It doesn't mean no need for trade-related evidence

The role of trade in SDG framework

- Goal 1 End poverty
 - Roles of trade in poverty reduction
- Goal 2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
 - Roles of trade in agricultural consumption
 - Availability
 - Quality
 - Efficiency (over/under consumption: price distortion, functioning of agricultural market)
 - Roles of trade in agriculture production (sustainability)
 - Productivity
 - Technology choices (Environmental impacts)
 - Efficiency (over/under production: price distortion, functioning of agricultural market)

- Goal 3 Healthy lives and well-being
 - Trade in pharmaceutical products and healthcare services
 - Availability/quality/ innovation
 - Trade in alcohol and tobacco
 - NTMs (Food safety, CO2 emission, electronic waste and recycles)
- Goal 6. Availability and sustainable management of water and sanitation
 - Trade and FDI in (sanitation) services
 - Trade and FDI in water-efficient products/technology
 - NTMs (water-efficient standards and labelling)

- Goal 7 affordable, reliable, sustainable, and modern energy
 - Energy trade and FDI in energy
 - Trade and FDI in energy-efficient products/technology
- Goal 8 sustained, inclusive and sustainable economic growth, full and productive employment and decent work
 - Roles of trade and FDI on employment, economic transformation.
 - NTMs (Labour standard)
- Goal 9 resilient infrastructure, inclusive and sustainable industrialization, and innovation
 - Roles of trade and FDI on industrialization
 - Roles of trade on innovation
 - Trade in (infrastructure) services
 - Trade in ICT products and services

- Goal 10 Reduce inequality within and among countries
 - Impacts of trade on income distribution
 - Roles of trade on the movement of labor
 - Labor trade and remittance
- Goal 12 sustainable consumption and production patterns
 - NTMs (environmental standard and labeling)
- Goal 14 Conserve and sustainably use the oceans, seas and marine resources
 - Trade in fishery and marine products
- Goal 15 sustainable use of terrestrial ecosystems
 - Impacts of trade on land and forestry degradation

- Goal 16. peaceful and inclusive societies, access to justice for accountable and inclusive institutions
 - Informal trade
 - Roles of trade on employment, including informal sector
- Goal 17. Strengthen the means of implementation and revitalize the global partnership
 - Finance:
 - Taxes (trade, consumption, production, income)
 - FDI
 - Remittance
 - Technology:
 - Roles of trade on the access to ICT
 - Trade
 - WTO
 - Exports from developing countries, especially LDC
 - DFQF market access for LDCs

Ex. Possible additional indicators for the trade-related targets

Trade-related goals	Trade-related targets	Trade-related indicators
2 zero hunger	2b AG trade distortion	2.b.1 Agriculture export subsidies ADD: should we include NTMs and which?
6 Water		ADD: trade and investment barriers in key water-related goods and services ?
7 Energy		ADD: trade and investment barriers in energy-related goods and services ?
8 Decent work	8a Aid for trade 8.2 Economic diversification	8.a.1 Aid for trade disbursement ADD: export diversification in terms of products and markets?; high-tech exports as a share in total exports? ; labour-intensive exports as a share in total exports?

Toward the refinement..

- Addition or substitution of indicators may be necessary
 - Trade is NOT the goal in itself. Thus, any additional trade indicator should be just a supplementary indicator.
 - Indicators that are meaningful for the country-specific circumstances (may or may not be the official SDG indicators)
- Addressing important issues shaping how trade can be an effective means of implementation:
 - Trade costs (including NTMs)
 - Trade in services
 - Trade in value added
 - Cross border e-commerce

Beyond the set of SDG targets/indicators (some examples)

- Reducing trade costs by XX % every five years
 - Data available in the UNESCAP-World Bank Trade costs database at present for agricultural and industrial trade
- Reducing services trade restrictiveness index by XX% every five years
 - Data available in the World Bank (and with a limited country coverage in OECD) database on a sectoral basis, but should be improved on
- Increase utilization rate of reciprocal preferences under each BTA/RTAs by xx% until fully utilized
 - Data not available except for developed countries and select developing countries
 - Similar target/indicator should be made for non-reciprocal preferences

In a nutshell, what is the evidence for?

Not only for review/monitoring towards meeting the target but also to **provide feedback/input to policymakers.**

Thank you!

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ANNEX: TRADE-RELATED GLOBAL MONITORING INDICATORS FOR AGENDA 2030

Target	Indicator	Initial Proposed Tier (by Secretariat)	Possible Custodian Agency(ies)	Partner Agency(ies)	Updated Tier Classification (by IAEG-SDG Members)
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 Agricultural export subsidies	Tier I	WTO		Tier I
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 target population covered by all vaccines included in their national programme		WHO, UNICEF		Tier III

Target	Indicator	Initial Proposed Tier (by Secretariat)	Possible Custodian Agency(ies)	Partner Agency(ies)	Updated Tier Classification (by IAEG-SDG Members)
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	Tier I	OECD	WTO-EIF	Tier I
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 and developing countries with zero-tariff	Tier I	ITC, UNCTAD, WTO		Tier I
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 [b]	14.6.1 Progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing	Tier III	FAO		Tier III

Target	Indicator	Initial Proposed Tier (by Secretariat)	Possible Custodian Agency(ies)	Partner Agency(ies)	Updated Tier Classification (by IAEG-SDG Members)
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	Tier I	WTO, ITC, UNCTAD		Tier I
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	Tier I	WTO, ITC, UNCTAD		Tier I
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	Tier I	WTO, ITC, UNCTAD		Tier I