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# 139<sup>th</sup> IPU ASSEMBLY AND RELATED MEETINGS

Geneva, 14-18.10.2018

Standing Committee on  
Sustainable Development,  
Finance and Trade

9 October 2018

## **Provisional suggestions from the rapporteurs for the future IPU Resolution on *The role of fair and free trade and investment in achieving the SDGs, especially regarding economic equality, sustainable infrastructure, industrialization and innovation***

**Co-Rapporteurs: Mr. Josh Wilson (Australia), Mr. Haruna Iddrisu (Ghana)  
and Ms. Sanda Raskovic Ivic (Serbia)**

### **Background**

In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, better known as the Sustainable Development Goals (SDGs). This Agenda sets out 17 ambitious goals and 169 accompanying targets, and integrates economic, social and environmental imperatives into a framework to guide government action through to 2030. There is no doubt that the rules and forms of trade will greatly influence the process and have the ability to contribute substantially to the achievement of the SDG objectives. While acknowledging the potential for trade to assume a critical role, it is clear from international experience that trade only delivers sustainable and equitable outcomes when conducted on a fair and free basis, and parliaments should play their part in working to that end.

The IPU has a strong record of supporting the role of trade in sustainable development. The 112<sup>th</sup> IPU Assembly (Manila, 2005) acknowledged “the role of parliaments in establishing innovative international financing and trading mechanisms to address the problem of debt and achieve the Millennium Development Goals”. More recently, the 128<sup>th</sup> Assembly (Quito, 2013) called on “parliamentarians and the IPU to play a pivotal role in advocating for fair trade as a means of ensuring sustainable development”.

This resolution with specific reference to the globally recognized framework of the SDGs seeks to further such work, at a time when the pursuit of a harmonized global trade and investment system is under considerable pressure.

### **Fair Trade and the SDGs**

Within the SDG framework, trade-related targets are found within Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

#### **Target 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.*

#### **Target 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.*

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**Target 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.*

There are also references to trade-related issues in Goals 2 (agricultural markets), 3 (medical licensing), 8 (aid for trade), 10 (differential treatment to address inequality), and 14 (fisheries subsidies).

Within the ambit of these goals are targets that highlight the importance of ensuring that trade and investment arrangements also support greater equality, sustainable infrastructure, industrialization, and innovation. For example:

**Target 8.2**

*Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors*

**Target 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.*

**Target 9.3**

*Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets*

**Target 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.*

Despite relatively few direct references, the role of trade in making progress towards the 17 Goals is widely recognized (WTO [here](#), ADB [here](#)).

**Issues for consideration and discussion within the context of the resolution**

- Identify and endorse the key principles of fair trade, being mindful of opportunities to specifically advance the SDG targets, and the risks to progress on those targets from trade that is not fair, and not measured with respect to equality/inequality.
- Identify the ways in which parliaments can approach national trade policymaking, and oversee the outcomes of trade agreements more effectively, with due consideration to the fact that the conclusion of such agreements is often an executive prerogative. Parliamentary committees with a trade or treaty focus may also assume an influential or productive role, in addition to the role parliaments play in considering relevant enabling legislation.
- Identify the ways in which parliaments shape and assess progress towards the SDGs, and consider how this is linked to trade-related processes and oversight.
- Assess and comment on existing global mechanisms for facilitating or supporting fair and free trade (e.g. [international mechanisms](#) such as the WTO Trade Facilitation Agreement or the World Bank Trade Facilitation Support Program).
- Given that modern trade agreements commonly establish rules for both trade and investment, consider how foreign investment in infrastructure and industrial development can occur in a way that is consistent with the SDGs and promote innovation.
- In the light of the fact that large multinationals with developed global value chains extract a growing share of the value-added from trade, not least because that value is concentrated in pre-production (design) and post-production (marketing and branding), consider what this means when industrialization in developing countries can still leave those countries confined to low-value production activity and low-quality infrastructure.

- Identify and acknowledge trade practices that support sustainable development at a time when protectionist and isolationist policies are returning to the mainstream political debate in many countries. (The WTO has noted an increase in trade-restrictive measures being introduced by member countries [Examples given [here](#)] and it is well established that least developed countries are hardest hit by such measures.)
- Consider the trade impacts on the structure of national job markets, particularly in the context of developing economies as they seek to industrialize and transition from agriculture to manufacturing, or manufacturing to the services sector.
- Acknowledge the recent move towards plurilateral trade agreements (e.g. the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP11) and the Regional Comprehensive Economic Partnership) as a phenomenon occurring in the absence of WTO negotiation progress in the Doha Round, and examine the opportunities and risks of this trend.

Free trade in the vast majority of countries should serve as the basis for building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation. It should also promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all. The goal should therefore be to reduce inequality within and among countries.

#### Further Reading & Resources

- Asian Development Bank: for some specific analyses on SDGs and trade [here](#).
- The SDG goals and global indicator [framework](#).
- International Centre for Trade and Sustainable Development: [The role of trade policy reform in advancing the 2030 Agenda](#)
- [IPU Committee on Sustainable Development, Finance & Trade](#)
- Asian Development Bank: [Win-Win, How international Trade Can Help Meet the SDGs](#)
- World Trade Organization: [Mainstreaming trade to attain the SDGs](#)