



Inter-Parliamentary Union
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140th IPU Assembly

Doha (Qatar), 6 – 10 April 2019



Standing Committee on
Sustainable Development,
Finance and Trade

C-II/140/M
18 January 2019

The role of fair and free trade and investment in achieving the SDGs, especially regarding economic equality, sustainable infrastructure, industrialization and innovation

***Explanatory memorandum submitted by the co-Rapporteurs
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Trade and investment are critical to the well-being of nations and their peoples, and to the peaceful and cooperative relationships between nations. Indeed, tackling the greatest global challenges will inevitably involve the future forms, rules, and mechanisms that shape trade and investment.

In the past, when trade and investment have not been fair nor free but rather conducted on the basis of power imbalances and narrow national self-interest, often with insufficient regard for wider matters of social and environmental welfare, the economic and development outcomes have been varied, discriminatory, poor, and have been productive of global inequality.

Modern trade and investment agreements typically involve matters that are directly relevant to the pursuit of the Sustainable Development Goals (SDGs), including, but not limited to, environmental protection, health, biosecurity, and labour standards. More specifically, fair and free trade and investment arrangements between nations as well as those negotiated through multilateral institutions are directly relevant to the development goals such as achieving sustainable agriculture (SDG 2); access to affordable, clean, and sustainable energy (SDG 7); inclusive economic growth and employment (SDG 8); reducing inequality (SDG 10); sustainable production and consumption (SDG 12); and conservation of oceans and sustainable fisheries (SDG 14), among others.

In addition, SDG 9 encompasses three important aspects of sustainable development: infrastructure, industrialization and innovation. Infrastructure provides the basic physical systems and structures essential to the operation of a society or enterprise. Combined with fair and free trade and investment, improvements in infrastructure, industrialization and innovation can ensure that global development is sustainable and its benefits are more equally felt and distributed.

#IPU140

Parliaments of the world should be meaningfully engaged in the process of considering trade arrangements, and reconciling such arrangements to their respective national commitments to the SDGs, in particular in the area of infrastructure, industrialization and innovation. While signing treaties is in some cases an executive prerogative, parliament can have an oversight role and is often responsible to some degree for considering consequent legislation and any budgetary implications. In addition to considering the domestic impact of trade and investment, parliaments should be enabled to consider, monitor, and measure the global implications in respect to matters like the SDGs, innovation, industrialization and sustainable infrastructure.

At a time when protection and national economic self-interest are becoming more prominent, it is argued that we need a renewed focus by parliaments on the existing and prospective trade and investment system, and a consideration of the principles and mechanisms by which fair and free trade can support the achievement of the SDGs. Our draft resolution seeks to encourage parliaments to take action to ensure fair and equitable trade and investments through the review of national and global policies to guarantee equity. The draft resolution also advocates for strong and increased investments in infrastructure to spur economic growth in order to address growing unemployment, improve social well-being and reduce poverty.