The full value of the 2030 Agenda is its promise to deliver development outcomes beyond what national governments can do on their own. Here lies the importance of a global partnership, that is based on effective, transparent and fair global cooperation that more than matches national efforts. In the Millennium Development Goals (MDGs), this was captured in Goal 8 (MDG 8). In the 2030 Agenda it is embodied in Sustainable Development Goal (SDG) 17 on Means of Implementation (MOI) as well as the goal-specific means of implementation targets in each of the other goals. There are 19 MOI targets in Goal 17 as well as a total of 43 MOI targets spread throughout the other 16 goals.

The inclusion of a stand-alone goal on means of implementation together with goal-specific targets threaded throughout represents a huge advance in terms of global development agreements, giving significant importance to the issues of implementation and calling for a far more coherent approach to achieving the goals. Sadly, this most crucial component of the Agenda, which is essential if it is to be truly “transformative” and meet key sustainable development needs, remains the most contested and divided, still often on North-South lines. While developing countries have been asking developed ones to deliver on their commitments on the various components of MOI such as official development assistance (ODA), debt restructuring, fair rules of trade, technology sharing and transfer, policy coherence and systemic issues of global governance, developed countries have not done so. The failure of recent attempts (e.g., the Asia Pacific Forum on Sustainable Development and the first Financing for Development Forum in April 2016) to get more cooperation, clarity and accountability on MOI delivery mechanisms, makes it clear that this resistance is strong and proactive. As such, it creates serious obstacles to the ability of developing countries to meet the SDGs.

With regard to trade, for example, developing countries will not be able to meet development targets if they continue to face unfair and adverse rules of global, regional, plurilateral and bilateral trade agreements. These not only stop their governments from getting necessary revenues to fund development priorities, including those set out in the 2030 Agenda; they can actually obstruct and reverse the progress made through other means. The question is, does business-as-usual work or do trade rules need to be fundamentally re-shaped to serve sustainability goals? Difficult negotiations on the three targets on international trade in SDG 17 (Targets 17.10, 17.11 and 17.12), as well as those in several other goals, have meant that though some of these targets are good and well-intended, critical issues have not been addressed. Moreover, the collective scope of these targets, designed to be inter-related and interlinked remains limited and often bypasses the real issues that global trade and in particular, developing and least developed countries, face today.

Trade targets in the 2030 Agenda

The three targets on trade in SDG 17, along with two targets on technology that have a close connection to trade issues (Target 17.6 and Target 17.7) and various goal-specific targets linked to trade demonstrate these problems.

Target 17.10, to promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system, for example, locates such a system only under the WTO. Although this is agreed 1992
Rio Summit language, WTO proceedings make it difficult for developing and least developing countries (LDCs) to be “open” at all times, as they may need to protect their markets depending on their stage of development. This target also refers to “the conclusion of negotiations under its [the WTO’s] Doha Development Round.” This is currently contentious at the WTO, with developing countries fighting to keep it open until its development mandate is delivered while developed countries want to end it right away, without addressing the development dimension. Although both developed and developing countries want the conclusion of the Round, it will be meaningless for developing countries unless the development mandate is met.

Target 17.11, to significantly increase the exports of developing countries, in particular with a view to doubling the LDCs' share of global exports by 2020, and Target 17.12 on timely implementation of duty-free and quota-free market access on a lasting basis for all LDCs, consistent with WTO decisions, are both good in principle. But as an UNCTAD report points out, exports of developing and least developed countries are blocked by non-tariff measures such as high standards, strict rules of origin, and so on which are much more difficult to pin down. Duty Free Quota Free access has been the target of long, drawn-out battles between developed countries and LDCs. The Bali WTO Ministerial of 2013 delivered merely some best endeavour provisions on this issue while the Nairobi Ministerial of December 2015 (held after the adoption of the 2030 Agenda) failed to include any language on this target.

The goal-specific trade means of implementation face challenges as well.

Under SDG 2, on hunger, food security, and sustainable agriculture, Target 2.b specifies the correction and prevention of trade restrictions and distortions in global agricultural markets. However, it highlights the elimination of export measures (including subsidies) as the primary instrument whereas in reality the importance of export promotion measures has declined, making it largely irrelevant in addressing global market distortions. In fact the Nairobi Ministerial delivered a binding outcome on this, however only after allowing the United States (US) extremely lenient terms. On the other hand, the elephant in the room, namely the high domestic agricultural subsidies of the OECD countries, mainly the US and the European Union (EU), remain untouched. These subsidies continue to distort agricultural markets and undercut producers in developing countries and LDCs.

Under SDG 3, on health and well-being, Target 3.b reaffirms the use of TRIPS flexibilities to provide access to affordable essential medicines and vaccines for diseases that affect developing countries. But due to the high degree of pressure exerted on countries which have tried to use these flexibilities, developing countries are forced to seek re-affirmation, even though the 2001 Doha TRIPS Declaration was itself a reaffirmation of rights in the TRIPS Agreement. Moreover, by referring only to “essential medicines,” a limitation that is neither in the TRIPS Agreement nor the Doha Declaration, the target in fact represents a regression.

Under SDG 10, on reducing inequality within and among countries, Target 10.a specifies the implementation of special and differential treatment (SDT) for developing and least developed countries. This has been the foundation of the Doha Development Round, even if framed in a rather flawed manner. As the Round faces threats of an early conclusion without fulfilling its development mandate, the SDT component risks being severely undermined. In Nairobi, negotiations on development failed to make much headway. If this target is to be met, the current approach to WTO negotiations must change significantly.

Under SDG 14, on marine resources, Target 14.6 seeks to eliminate certain forms of fisheries subsidies. Because, several developed countries grant large sub-

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2 Cf. UNCTAD (2016).
3 “I will try my best” language, which is not binding on Member States.
International Trade and the 2030 Agenda for Sustainable Development

2.17 International Trade and the 2030 Agenda for Sustainable Development

Aid on fisheries that undercut developing country producers, this target could help in correcting that situation. However, in order to give due attention to the need of small-scale fishing sectors in developing countries for support, the target includes SDT for developing and least developed countries. In the WTO Nairobi Ministerial, however, several developed countries asked developing countries to remove fisheries subsidies, even those that support small-scale fishing and fisherfolk. The SDT treatment provision included in Target 14.6 was ignored.

Adverse trade orientation

While some targets on trade are well intended, most remain limited and incomplete and may sometimes do more harm than good. However, there are some provisions that could be clearly adverse. For example, under SDG 10, Target 10.b supports foreign direct investment (FDI) as an unqualified positive measure, and fails to point out the various problems related to FDI, especially in the current context, including restrictions on governments' policy space, pressure to remove or dilute performance requirements on FDI, challenges to natural resource conservation and management, environmental degradation, and protection of human rights, especially rights of local communities and vulnerable sectors of the population.

The overall emphasis on trade liberalization as a blanket panacea is also problematic. Thus the inclusion in Paragraph 68 on MOI in the 2030 Agenda, of a commitment to pursue “meaningful trade liberalization” ignores the fact that the ability of trade liberalization to do blanket-good has been severely challenged even by trade advocates.

To sum up, the 2030 Agenda addressed trade issues in a highly limited way. It focuses only on the multilateral space of the WTO whereas the plethora of bilateral, regional and plurilateral FTAs are witness-

5 Performance requirements generally impose conditions on inward FDI that helps a domestic economy; such as local content, local labour requirements, mandatory technology transfer, etc.

which can be seen the steady advance of these “new issues” at the WTO. Most of these areas represent considerable threat to governments’ space for policy regulation. This despite the fact that, Target 17.14 refers to “enhancing policy coherence for sustainable development” while Target 17.15 mandates “respect each country’s policy space and leadership to establish and implement policies for poverty eradication and sustainable development” (emphasis added).

The aggressive IPR provisions in these agreements, as for example the TPPA, can severely compromise governments’ policy space to ensure access to medicines, seeds and other important products for people at large. Even if the very limited Target 3.b on access to essential medicines is met, the FTA provisions on IPRs (and investment) are rapidly bypassing these flexibilities.

The BITS and investment chapters of FTAs are particularly damaging. Investment protection chapters include expansive definition of ‘investment’ and give very strong rights to the foreign investor, much above that of national investors and public interests. In particular, the dispute settlement mechanism in these agreements allow foreign investors to sue governments in secret private international arbitration cases through the Investor-State-Dispute-Settlement (ISDS) clause, for any “expropriation” or imposition on their investment and expected profits. The arbitration system is hazy and bypasses national legal systems.7 These investment agreements can challenge decisions not only of the executive or bureaucracy, but that of state/provincial governments, legislature and judiciary as well.

In spite of major efforts by global civil society, FTAs and BITs are not covered in the 2030 Agenda. The Addis Ababa Action Agenda (AAAA) from July 2015 at least has Paragraph 88 that says such agreements cannot constrain domestic policies and regulation in the public interest.8 However, public policy regulation for protection of public interest, environment, public health, human rights and natural resources are all being challenged in ISDS cases. There are 696 known cases globally with more than fifty per cent on natural resources, and the developing countries are losing most of theirs.

The 2030 Agenda and the AAAA expect governments to raise revenues domestically through taxes for development financing. But changes in tax policy are also challenged in several ISDS cases. Judicial and local government decisions are being challenged as well. As mentioned earlier, the strong role of the private sector in the 2030 Agenda and lack of language on regulation of private sector activities can potentially help to perpetuate such use of abusive investment agreements by large corporations.

The burden of ISDS has already led to Indonesia’s termination of 17 BITS in a review to assess the appropriateness of many BITS signed by former Governments in light of the current needs of the country. India has announced that it will renegotiate 47 BITS that have expired based on its new model BIT, and South Africa has already started its own review and terminated several BITs.9

Agriculture and food security is another area where global trade rules will be trampling on the SDGs. Target 2.3 under talks of doubling agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment. However, at the WTO, the recent attack by the US, the EU and other developed countries of developing country subsidies to small farmers for supporting public food programmes, will challenge the meeting of goal 2 overall and this target in particular. Such subsidies by developing countries are a measure to support production for food programmes as well as that of livelihoods of farmers, without which long term food security of developing countries cannot be safeguarded. At the WTO, a per-

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7 Cf., for example, Eberhardt/Olivet (2012).
Targets for SDG 17

Finance

17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

17.2 Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries

17.3 Mobilize additional financial resources for developing countries from multiple sources

17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress

17.5 Adopt and implement investment promotion regimes for least developed countries

Technology

17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism

17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

Capacity-Building

17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation
Trade

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

17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020

17.12 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

Systemic issues

Policy and Institutional coherence

17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence

17.14 Enhance policy coherence for sustainable development

17.15 Respect each country’s policy space and leadership to establish and implement policies for poverty eradication and sustainable development

Multi-stakeholder partnerships

17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Data, monitoring and accountability

17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries
manent solution that asks for allowing such subsidies without limit is facing major challenges, while developed country subsidies are allowed to continue unfettered. The push in the FTAs to get agricultural import duties removed in developing countries, even for subsidised developed country products, will also challenge SDG 2 and several targets thereof.

On the other hand, Target 2.c on regulating food commodity markets and controlling food price volatility is a much welcomed measure but the WTO and FTAs have no mechanism to address this. In fact their operation actually encourages speculative trading in food commodity markets, for example by opening up developing countries to global markets and challenging public stockholding operations.

The WTO and FTAs are also challenging industrialisation and job creation prospects in developing and least developed countries by forcing them to reduce or eliminate import duties on industrial sectors even in the presence of infant industries. Preferential treatment for domestic industry, even small and medium sized enterprises (SMEs), is being barred. Further several FTAs, for example the EU FTAs, force developing countries to eliminate export duties on raw materials. Kenya’s leather industry was damaged as they were forced to remove export taxes on raw leather. Several others are fighting to retain minerals to be developed and used for local industrialisation. China lost a case at the WTO on its export taxes on minerals. The investment provisions including the pressure to remove performance requirements are challenging as well. These run counter to Target 9.b which asks for “ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities” in developing countries.

The Global Value Chains (GVCs) are being advanced as the solution for SMEs in developing countries to grow and contribute to job creation. Target 9.3 says “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”. While the emphasis on SMEs is good, the GVCs are based on a principle of exploitation of both natural and human resources in developing countries while locking them into very low ends of the value chains that blocks them (often through the control of technology) from moving up the chain.

Another example is the aggressive liberalisation of services trade through the FTAs which includes asking for market access and investment into sensitive and critical service areas such as water, health, education, energy and even food. By generating and accelerating rising user fees, increasing inequality across economic and geographical (rural-urban for example) status, and even loss in employment opportunities in associated segments, such liberalisation is resulting in severe loss of access to services for the people. The access to sustainable health, education, water and energy are embodied in SDGs 3, 4, 6 and 7 respectively but many of these goals and the specific targets will not be attainable unless trade rules and power asymmetries in rule-making are changed.

To conclude, there are many other examples that can be given to show that the whole paradigm of the current commercially and corporation-driven trade agreements does not fit in with the overall approach of the SDGs. It is clear that a lot has to change in global trade rules if it has to cater to the SDGs. In many ways, the SDGs themselves make it easy for trade agreements to rule by allowing “the private sector” to dominate the development discourse and set its own standards for sustainable development, in effect also allowing weak or non-existent regulation of activities of the corporations which drive the trade and investment agreements.

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10 For example retail liberalization in several countries have resulted in severe job losses and closure of small retail, thus compromising their incomes and access to basic services.
Interestingly, in spite of the limited approach on trade issues, the 2030 Agenda and the SDGs have actually begun to have a bearing on global rule setting on trade, in probably an unplanned but not unexpected way. It is important to note that the SDGs have no legal status and are more useful in norm-setting whereas trade and investment agreements are legally binding. But we already see that the SDGs are being used, if selectively, by the developed countries to push for legally binding stipulations in trade agreements, for example, in the fisheries subsidies case mentioned above. Though this particular attempt failed, it is clear that the SDGs provide a potential instrument to advance a selective agenda through its selective use.

This makes it clear that negotiators of trade agreements, especially from developing countries, need to know not only of the provisions that are related to trade but the entire 2030 Agenda itself, if they are to make use of it themselves or block adverse use in legally binding trade agreements. As such the 2030 Agenda and the SDGs represent a limited and often, a regressive package on trade. But the bigger Agenda (especially other goals and targets) still offers opportunities for developing countries to fight for changes in the current global trade systems if they can use it effectively. But for this to happen, it must first be recognised by all that meaningful sustainable development spanning economic, social and environmental pillars, though not necessarily limited to the 2030 Agenda itself, represents top priority for developing countries. In particular, trade and investment agreements are subservient to that priority. That is the biggest reality that has to be changed.

**References**


Since 2013 the Transatlantic Trade and Partnership Agreement (TTIP) has been negotiated between the European Union and the United States aiming to create a free trade area for over 800 million people combining the two most affluent regions on the globe and two of the most powerful global players into one single market. According to US President Obama and German Chancellor Merkel, an agreement will still be finalized before the end of 2016. However, as people are becoming more aware of the terms of these negotiations, resistance against TTIP has been mounting. Even a complete breakdown of negotiations has become a distinct possibility.

A final agreement on TTIP in its current form could seriously undermine important goals and targets of the 2030 Agenda in a number of ways.

First, TTIP is sold by US and EU leaders to their own population as a unique – and also the last – opportunity for the old ‘West’ to write the global rules on trade and investment in the 21st century, “before others could do it.” In future, TTIP – in combination with its companions the Trans Pacific Partnership (TPP), the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and the Trade in Services Agreement (TISA), is thought to become the blueprint for any other trade agreements that follows. TTIP and other US- and EU-led agreements would actually replace the World Trade Organization as the place where global trade rules are made, thus undermining multilateralism. The sheer economic weight of the combined transatlantic market alone is thought to make sure that the norms and standards applied here would almost automatically become the new global ones. Such an exclusionary approach to changes in global rules is hardly in line with the spirit and the wording of SDG 16, in particular with Target 16.7, to ensure responsive, inclusive, participatory and representative decision-making at all levels, and Target 16.8, to broaden and strengthen the participation of developing countries in the institutions of global governance. And it directly flies in the face of Target 17.10 calling for the promotion of “a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization.”

Second, direct negative economic spillovers to poor countries can be expected from TTIP. Several studies show that tariff cuts between the transatlantic trading partners could seriously disadvantage exporters from poor developing countries, as for example, those in sub-Saharan Africa, that rely on tariff preferences for their access to EU and US markets. The fact that some of these preferences will be eroded by transatlantic tariff cuts will impact negatively on a number of poor economies and thereby potentially impede progress on other goals, such as SDG 1 on the elimination of poverty, SDG 2 on sustainable agriculture, SDG 8 on economic growth and employment, and SDG 10 on inequality, particularly among countries. As compensation for these negative spillovers, the US and the EU have been called upon to make the harmonization and improvement of their respective preference schemes towards Africa (the US African Growth and Opportunity Act – AGOA, Everything But Arms on the side of the EU) an integral part of the TTIP negotiating agenda. The harmonization of these schemes should, for instance, target much more generous and at the same time simplified and harmonized rules of origin for exports from these countries into both markets.

Third, TTIP is actually only to a very small extent about the reduction or abolition of already very low import tariffs. The true focus is the removal of non-tariff barriers (NTBs) to trade – essentially regulations. TTIP proponents argue that regulations limit trade, and “harmonizing” standards would remove these “obstacles” to cheaper imports. However such regulations are not arbitrary impediments to trade, but are generally issued to protect and promote public health, consum-
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er safety, citizens’ and workers’ rights, sustainable communities and a healthy environment. They often reflect deeply held public values that tend to differ from country to country. The processes of “harmonization” and “mutual recognition” of standards proposed in TTIP are likely to end up accepting the smallest common denominator based on the weaker of EU or US standards. Such a race to the bottom would, however, perfectly fit the corporate deregulation agenda in many of the areas under negotiation (e.g., in the area of financial regulation).

In addition, a joint “regulatory council” has been proposed to, in future, vet all new projects of law or regulatory projects on both sides of the Atlantic as to whether they are harmful to bilateral trade. This council could veto any proposed regulation, if it considers it potentially discriminatory to exporters from the other side, even before any such project could go to any parliament for deliberation and decision-making. If this “regulatory cooperation” was to become part of the proposed new “gold standard” of global trade rules it would replace or at the very least seriously undermine decision-making of legitimate and representative political bodies through unaccountable and opaque technocratic bodies under the influence of corporate lobbyists, therefore becoming a direct threat to democracy. It could also undermine needed action in public policy areas of vital importance to the fulfillment of the goals and targets of the 2030 Agenda, such as, in the case of necessary environmental protection legislation to ratchet up sustainability standards in the face of planetary boundaries and to combat climate change, as mandated under SDG 13.

Fourth, the greatest threat of TTIP and its siblings for the achievements of the SDGs arguably resides in the envisaged provisions for investor rights and the controversial investor-state dispute settlement system (ISDS). Even if relabeled as an investment court system (ICS), as proposed in the revised CETA-text, this measure creates an explicit tool for foreign investors to effectively challenge changes in the policy environment that are potentially harmful to their bottom line. Through this parallel system of privatized justice via international arbitration tribunals, corporations can attack government regulations, such as those designed to protect public health, to reduce carbon emissions, or to promote sustainable development more generally, by suing governments for lost future profits without the involvement of any genuine court of law. Already the threat by investors to sue governments for millions – and sometimes even billions – of taxpayers’ euros or dollars can have a “chilling effect”, by forcing governments to abstain from needed action for sustainable development because of the huge financial risks involved. While a small number of countries have cancelled previously negotiated bilateral investment agreements that include these investor-state dispute settlement arrangements, the TTIP, TPP and CETA would hugely expand the coverage of such arrangements, empowering the use of this mechanism to tens of thousands of additional corporations.