United Nations Trade Forum 2023

High-impact trade initiatives for accelerating the Sustainable Development Goals

08 - 09 May 2023 Room XXVI, Palais des Nations, Switzerland

Hybrid Event

Report of the Forum

Key messages: High-impact trade initiatives

South-South partnerships can foster knowledge sharing on best practices in trade, investment, capacity building, technology transfer and diffusion to mitigate and adapt to climate change and ensure food security. This encompasses South-South trade partnership at regional trade agreements such as <u>African</u> <u>Continental Free Trade Area</u>, or inter-regional trade arrangements under the <u>Global System of Trade</u> <u>Preferences among Developing Countries</u> (GSTP). The GSTP, in particular, is a comprehensive and agile partnership framework for South-South trade cooperation, allowing developing countries to take concerted actions addressing tariffs, non-tariff and direct-trade measures, on a horizontal or sectoral basis. Its potential could be fully exploited in order to address contemporary global challenges.

<u>The Blue deal</u> is a political call for enhanced resource mobilization to bridge the financing gap to achieve SDG14 and implement trade related targets by 2030, which historically has received the smallest share of Official Development Assistance (less than 2% of all ODA). The Blue-Deal calls for increased private investment in promising and emerging ocean-based goods and services that can enable sustainable use of marine resources and ecosystem services that also provide co-benefits in income and livelihoods for developing countries, such as seaweed foods and non-food products, natural plastic substitutes, renewable ocean energy and coastal and marine tourism. Read our <u>Trade and Environment Review 2023</u> for more.

<u>Consumer Protection and Competition policies</u> determine the chance of achieving SDG 12. When empowered consumers value the importance of sustainable products and make well-informed decisions, businesses are encouraged to compete with regard to sustainability. And as sustainability becomes a priority policy objective for policymakers worldwide, markets will increasingly be expected to deliver sustainable results. This is where competition and consumer protection policies intersect with sustainability. Competition and consumer protection policies are conducive to improving the efficiency and fairness of markets and are, therefore, well placed to serve public policy goals.

<u>Gender-responsive digitalization and e-commerce strategies</u> are needed to ensure that small-scale enterprises, particularly those led by women, can benefit from new digital opportunities, and that the challenges they face, especially in developing countries, are recognized and mitigated. Key steps in this direction include ensuring reliable and affordable Internet access, enhancing women's digital literacy, improving access to finance, and encouraging women's participation in the design of digital and ecommerce strategies. Public-private partnerships and the Whole-of-Government Approach are also instrumental in achieving these results. Ex-ante gender impact assessments of digital and e-commerce strategies would contribute to making these strategies gender-responsive, as is the case for the ex-ante gender impact assessment of trade agreements under negotiation. Furthermore, it is imperative to place the gender equality agenda at the heart of the proposed Global Digital Compact.

Opening Session

On 8 May 2023, the United Nations Trade Forum was opened by Ms. Miho Shirotori, Acting Director, Division on International Trade and Commodities, UNCTAD. Ms. Shirotori outlined that the Forum aimed to take stock of the trade policy measures that could be taken to accelerate the SDGs implementation and to discuss how trade could contribute to SDGs achievement.

In a video address, Mr. Guy Bernard Ryder, United Nations Under-Secretary-General for Policy, Executive Office of the Secretary General, stated that trade is one of the key means of implementation of the 2030 sustainable development agenda. He stressed that further action is needed to boost developing country capacities in trade and to align global trade rules with the SDGs so that trade delivers social, environmental, and economic policy objectives. Mr. Ryder emphasized that a fairer and more resilient multilateral trading system, which is open, rules based, transparent and nondiscriminatory, is an integral part of inclusive and effective multilateralism.

In an opening statement, the of UNCTAD, Mr. Pedro Moreno, highlighted the importance of harnessing the power of inclusive and sustainable trade. Further, that there is a need for a resilient, credible, and coherent trading system to respond to current global challenges, including economic recovery, climate change and food security. Mr. Moreno outlined that trade policy, the Global System of Trade Preferences among Developing Countries (GSTP) in particular, can play a central role in increasing resilience, and contributing to the achievement of the SDGs.

Session 1: The South-South trade partnership for accelerating the SDGs achievement

In his keynote video message, former UNCTAD Secretary-General Mr. Rubens Ricupero stated that the implementation of the GSTP São Paulo round results would place UNCTAD in a unique position as the leading United Nations agency on South-South trade cooperation. The GSTP provides an opportunity for developing countries to harness the potential of trade for further development and more equitable distribution of development benefits, especially in the context of food security and decarbonization challenges. Mr. Ricupero noted that there is significant scope for additional gains beyond tariff cuts through cooperation in other areas of trade.

Ms. Shirotori underscored the opportunities that GSTP provides to developing countries. These include not only enhanced South-South trade but also other trade measures, such as non-tariff measures, long-term contracts and sectoral agreements possibly covering services. So far only tariff concessions element of GSTP has been explored. GSTP includes special provisions for LDCs.

H.E. Mr. Federico Villegas, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the Permanent Mission of the Argentine Republic, highlighted the opportunity to revitalize the GSTP to implement high-impact initiatives to respond to current challenges. These could include actions for harmonizing non-tariff measures, trade facilitation, climate adaptation, access to green technologies and ensuring food security. He stated that there is need for raising awareness on the GSTP and undertaking analytical work to promote and revitalize the GSTP.

Panelists then elaborated on how to unleash the potential of South-South trade partnership such as the GSTP to better respond to global challenges on the path to sustainable development.

Mr. Máximo Torero, Chief Economist, Food and Agriculture Organization (FAO) referred to the concentration of developing countries' exports in a few agricultural products, noting that it is essential to diversify trading partners and products to reduce vulnerability to shocks. He highlighted constraints including poor infrastructure, lack of access to finance, low adoption of productive technologies, which lead to increased reliance on imports. Further, that non-tariff measures (NTMs) and lack of harmonized standards limit access to markets. Mr. Torero suggested that GSTP facilitate exchange of innovation and good practices; expand market opportunities; and technology transfer.

Ms. Trudi Hartzenberg, Executive Director, tralac, and Member of the UN Committee for Development Policy provided the African perspective to the GSTP. AfCFTA provides a framework for Africa's industrialization and economic diversification and Ms. Hartzenberg emphasized that the development of value chains on the continent and SMEs' more effective participation in GVCs are priorities for the continent. Further, South-South cooperation could support these priorities eventually transforming how African enterprises engage with global partners.

Ms. Vahini Naidu, Programme Coordinator, Trade for Development Programme, South Centre, suggested strengthening the GSTP by encouraging more countries to join; expanding the trade coverage; and improving the rules and procedures. The GSTP should focus on promoting a South-led agenda, exploring a framework for cooperation to increase South-South trade and respond to food security. Ms. Naidu noted that GSTP can go beyond tariff concessions to enhance knowledge sharing on best practices in trade, investment, capacity building and technology transfer.

Mr. Craig VanGrasstek, Trade Consultant and Adjunct Lecturer, John F. Kennedy School of Government, Harvard University stated that GSTP could be an alternative to multilateral trade negotiations for developing countries. There is a need for awareness and political will to enhance the GSTP membership.

During the panel discussion, one speaker stated that GSTP is a great opportunity to enhance environmental goods trade and access to technologies to mitigate climate change and ensure food security. Another speaker referred to the need to focus on infrastructure, access to finance and technology. One speaker suggested that GSTP could tap into the growing potential for trade between African countries and other developing countries, and AfCFTA should be seen as a steppingstone for enhancing such partnership. Another speaker suggested targeting countries whose participation is fundamental. Another speaker stressed the need for increased awareness and political will to revitalize the GSTP.

Ms. Shirotori referred to ongoing work of the GSTP Secretariat, including an update of UNCTAD and other websites, and the creation of a private website for the GSTP membership.

UNCTAD's Deputy Secretary-General closed by restating the importance of trade to achieve the SDGs; and the need for more awareness and will to make the GSTP fit for purpose.

Session 2: Building a sustainable ocean economy for development - Launch of the Trade and Environment Review 2023

During the opening of the session, Chairperson H.E. Ms. Usha Chandnee Dwarka-Canabady, Ambassador Extraordinary and Plenipotentiary, Permanent Mission of the Republic of Mauritius, stressed the need to act coherently towards the key international agreements that emerged from the ocean "super year" in 2022.

The first Keynote speaker, H.E. Mr. Francisco Andre, Secretary of State for Foreign Affairs and Cooperation, Portugal (represented by Ambassador Rui Macieira), noted that the blue economy is a fundamental component of Portugal's development strategy, which they are diversifying by investing in the development of emerging activities in sectors with high potential for growth such as ocean renewable energies, aquaculture, and sustainable coastal tourism. The second keynote speaker, H.E. Rt Hon Patricia Scotland KC, Secretary-General of the Commonwealth, stressed the importance of global partnerships to address ocean sustainability challenges.

The UNCTAD secretariat introduced the main findings of the *Trade and Environment Review 2023: Building a sustainable and resilient ocean economy beyond 2030"*. The Review argues that sustainable trade can be a viable solution to conserve the ocean and use its resources responsibly. The benefits and accountability for its exploitation, however, should be shared fairly and equitable by all. The Review underscores the urgent need to bridge the ocean finance gap – SDG14 receives the least amount of financing - through a "Blue Deal" with the aim to drive more public and private investment into emerging ocean sustainable sectors. This could then help developing countries to diversify their ocean exports. UNCTAD estimates the global export value of ocean-based goods and services at \$1.3 trillion in 2020.

The Review identifies seaweed farming as a promising emerging ocean economy sector. The seaweed exports tripled over the last two decades, increasing from \$4.5 billion in 2000, to \$16.5 billion by 2020. The Review also calls for an increase in the production and trade of natural-based plastic substitutes. The traded value of plastic substitutes in 2020 was \$388 billion, with one third of traded plastics made from fossil fuels. The trade growth potential and in job creation in this sector is vast, particularly for developing countries.

Mr. Audun Lem, Deputy Director Fisheries and Aquaculture Division, FAO, highlighted that resilient and sustainable small-scale fisheries have an impact that extends beyond livelihood and food security to social responsibility and gender equality, and the need to complete the negotiations on the WTO Fisheries Subsidies Agreement.

Mr. Awni Behnam, Honorary President, International Ocean Institute, highlighted the launch of the International Ocean Institute Ocean Academy as an ocean literacy initiative to provide locally relevant education on ocean trade environment issues.

During the ensuing discussion, Mr. Regis Farret, Counsellor, Economic Affairs, speaking on behalf of H.E. Jerome Bonnafont, Ambassador and Permanent Representative, France, noted that transforming our relationship with the ocean requires a clear action plan built on transparent and inclusive governance, science, and the promotion of the sustainable blue economy.

H.E. Ms. Shara Duncan Villalobos, Ambassador, Deputy Permanent Representative and Charge d'affaires a.i. Costa Rica, highlighted that to achieve the SDG 14 it is a prerequisite to incorporate holistic and

innovative approaches that respect traditional knowledge and the right to a healthy environment. Participants noted the importance of considering the human impact of SDG 14, particularly the impact on small fishers, and the need to build capabilities to reap the trade opportunities offered by emergent oceans sectors.

Session 3: SDG 12 Sustainable consumption and production: the contribution of competition and consumer policies. Launch of UNCTAD report: Competition, Consumer Protection and Sustainability 2023

Ms. Teresa Moreira, Head, Competition and Consumer Policies Branch (CCPB), DITC, opened the session highlighting the importance of competition and consumer policies to achieve SDG 12. UNCTAD co-leads the Consumer Information for Sustainable Consumption and Production Programme of the One planet Network led by UNEP. On competition policies, Ms. Moreira said that sustainability is explored through its focus on efficiency gains and exceptional authorizations of horizontal agreements.

Ms. Moreira announced the launch of the UNCAD report entitled "Competition and Consumer Protection Policies for Sustainability", which explores the interplay between competition law and sustainability and the promotion of sustainable consumption from the perspective of consumer protection policy.

Ms. Natalie Harsdorf-Borsch, Director-General, Austrian Federal Competition Authority, presented the European Union Provision that states cooperation is allowed if it leads to efficiency gains that substantially contribute to an ecologically sustainable or climate neutral economy. She gave as examples the electrical vehicles and waste management sectors. Ms. Harsdorf-Borsch also presented guidelines for horizontal agreements setting a standard of how competition authorities can promote sustainability.

Ms. Ninette K. Mwarania, Manager, Planning, Policy and Research, Competition Authority of Kenya, highlighted the need for stronger enforcement of competition law that will open the way for new businesses that can decarbonize the industry. She stated that the government's promotion of the use of clean energies encourages investments, increasing the choice for consumers. Regarding social sustainability, more SMEs are encouraged to participate in the market based on competition policies. Kenya considers sustainability as public interest and approved a joint venture in the aviation sector based on it.

Ms. Maria Charitou, Head of Competition Advocacy Unit of Directorate-General for Competition of the Hellenic Competition Commission, presented the Sandbox for sustainability and competition. It is a supervised process for experimentation and promotion of innovative business initiatives without competition law enforcement. It will initially operate with targeted industries such as energy, recycling, waste management, pharmaceutical and healthcare.

Ms. Mabuza, South Africa, mentioned that consumers play a crucial role in reducing the burden on the environment through their consumption choices and so, informed consumers are needed. For consumers to be a factor for change, some elements are needed such as the relevant policies, enforcement, and collaboration with other regulators. The Acts compel suppliers to properly label their products. Consumers are part of the value-chain in the enforcement.

Ms. Carmen Ligia Valderrama, Professor, Universidad del Externado, Colombia, stressed that if consumers are protagonists, change is possible. In Colombia, consumers have rights and the obligation to be informed and she gave the example of recycling policies. Colombia has a consumer network that joints all national agencies and is also responsible for disseminating information. She highlighted the adoption of sustainable transport and green mobility as successful examples.

Mr. Jorge Laguna-Celis, Head, One Planet Network, UN Framework of Programmes on Sustainable Consumption and Production (10YFP), presented the 10YFP that identifies pathways to support more decision makers and sustainable lifestyle. He mentioned the importance of digitalization to bring equality. UN inter-agency is working to define standards on sustainability. When voluntary approaches are not sufficient, claims should be adopted.

In a statement, one delegate outlined how it was putting in place measures to reduce the environmental impact of consumption and to expand environmental education, for example through waste management, carbon emissions reduction, green tourism and biodiversity.

One delegate shared measures taken to promote sustainable consumption and production in energy, aquaculture and fishery sectors. They stated that the government gives special attention not only to promote circular economy which strategy includes waste reduction, recycling and use of renewable resources but green energy in the automotive sector, ecolabeling, sustainable tourism.

One delegate stated that the financing aspect remains sensitive to some countries, and another delegate noted that when discussing trade, sustainable development and food security, the negative influence of coercive measures should not be left aside.

Further, delegates stated that AfCFTA will enhance sustainability through the implementation of the law. It promotes cooperation and it will create capacities on the promotion of sustainability. It will also harmonize policies and rules to ensure sustainability standards, labeling, and education.

Session 4: Gender gaps and digital solutions. Launch of UNCTAD Policy Review: E-commerce from a gender and development perspective

This session addressed the topic of gender gaps and digital solutions, and provided the opportunity to present UNCTAD's new Policy Review publication on "E-commerce from a gender and development perspective". The policy review addresses e-commerce with a focus on the opportunities but also the challenges that women-led small enterprises in developing and least developed countries face in the digital environment, with a particular eye to providing guidance to policymakers who are in the process of discussing fairer and more inclusive e-commerce strategies.

In the ensuing discussion, the panelists shared a breadth of experiences and examples from across different regions that emphasized the causes and consequences of the digital gender gap, as well as presenting different actions to ensure that digitalization and e-commerce opportunities are both inclusive and support sustainable development.

H.E. Mrs. Sofia Boza Martinez, Ambassador, Permanent Representative, Permanent Mission of Chile to the World Trade Organization (WTO) stressed that e-commerce can help women-led SMEs to overcome barriers to participating in international trade and to exploit economies of scale. The

Ambassador presented a variety of initiatives to encourage digitalization including Chile's "Digitalize your SME" Program, as well as the "Global SMEs" pilot program which supports SMEs through facilitating access to international marketing platforms. The Ambassador also highlighted the importance of establishing public-private dialogues to promote public-private partnerships in the areas of e-commerce and digital trade. Finally, the panelist pointed to the inclusion of specific chapters on e-commerce in trade agreements.

Ms. Trudi Hartzenberg presented the policy agenda focus with regards to digital trade at both the national and regional levels across the African continent. The panelist specifically referred to the ongoing discussions within the framework of the AfCFTA regarding the protocol on digital trade, as well as on women and youth in trade. Ms. Hartzenberg highlighted the continental initiatives which are helping to shape the AfCFTA digital trade protocol, including the African Union's Digital Transformation Agenda 2020, which speaks to regulatory harmonization, skills development and gender in the context of digital transformation. A specific section of the protocol is being devoted to digital inclusion, focusing particularly on MSMEs as well as gender exclusion.

Ms. Anita Gurumurthy, Executive Director, IT for Change, framed the gender digital divide as a manifestation of deepening inequality, with greater access to connectivity paradoxically resulting in greater differences in the access to benefits. She stressed the multifaceted nature of the digital divide, as well as highlighting the greater levels of exclusion generated by the algorithmic optimization of mainstream digital marketplace models. Ms. Gurumurthy also spoke to the deficits in policy support and public investment with regards to the infrastructural and institutional building blocks behind the digital economy. She flagged an initiative by the government of Kerala in India, "Kerala Food Platform", which is a public community platform partnership that provides sourcing and marketing support, as well as data management to farmer groups.

Mr. Christian Volpe Martincus, Principal Economist, Integration and Trade Sector, Inter-American Development Bank (IDB) presented the successful experience at the Inter-American Development Bank with the information and match-making business platform "Connect Americas", which provides access to relevant information as well as increasing the visibility of participating firms, particularly SMEs, and thereby facilitating their internationalization. The benefits of the platform were found to disproportionately favour female-led SMEs.

Several delegates indicated that while there is widespread agreement on the need to make the digital economy accessible to all, attaining results on the ground continues to be challenging. In response, the panelists highlighted the importance of specific training programs that cater to the digital industry's needs, as well as financial solutions such as FinTech to redress gender biases in access to credit and finance.

One delegate highlighted the global "WeConnect" initiative that supports women entrepreneurs, including a focus on women's access to digital technologies. Likewise, the delegate pointed to the gender equality strategy of the Pacific Alliance that promotes the participation of women in the digital economy, as well as promoting policies in the digital sphere that are gender sensitive. Another delegate stressed the need to ensure that policies related to the financial sector do not result in digital discrimination, and instead promote the financial inclusion of vulnerable groups.

Finally, numerous delegates declared their readiness to work together with UNCTAD and other member states to strengthen their cooperation in order to capitalize on the opportunities offered by e-commerce towards achieving the SDGs.