II. Doubling down on the Sustainable Development Goals and unmet trade and development targets
67. Even before the onset of the pandemic and the economic crisis that has accompanied it, progress on the Sustainable Development Goals had been falling worryingly behind, especially with respect to the economic dimension of sustainability, which includes the principal outcomes targeted by the mandate of UNCTAD. Notably, prior to the pandemic, the political declaration adopted at the first Sustainable Development Goals Summit held in September 2019 acknowledged that greater efforts are needed in directing and aligning the means of implementation with the Goals, calling for “gearing up for a decade of action and delivery for sustainable development” in order to accelerate progress.

68. UNCTAD has been among the earliest and most consistent voices arguing that the ambitions of the 2030 Agenda for Sustainable Development faced increasingly strong headwinds. Since the fourteenth session of the Conference, and well ahead of the pandemic, UNCTAD has been raising the alarm with an eye to helping adjust course. For the past four years, however, the unfavourable global economic conditions have only grown, and ever deeper fragmentation has emerged across the multilateral system. Increasingly, over the last four years, multiple assessments by UNCTAD have shown that progress on the Sustainable Development Goals has been slow and should be accelerated in the coming 10 years. But despite efforts by UNCTAD and other key players, deepening fractures in global economic conditions have increasingly hindered progress.

**A. Analytical evidence documenting widening implementation gaps**

69. Warnings of insufficient progress on the economic dimension of the Sustainable Development Goals have been raised increasingly across UNCTAD research and analysis products. Since 2019, the UNCTAD [Sustainable Development Goal] SDG Pulse – a statistical assessment of the Sustainable Development Goal targets and indicators relevant to the UNCTAD mandate – has documented the mixed and inadequate progress made on the relevant targets related to trade and development, including on the eight Sustainable Development Goal targets for which UNCTAD has
custodial responsibilities. The mixed and inadequate progress towards finding the necessary transformative pathways required by the Sustainable Development Goals has further been confirmed by The Sustainable Development Goals Reports of the United Nations, released annually ahead of successive high-level political forums under the auspices of the Economic and Social Council since 2016.

70. For the past four years, UNCTAD research and analysis has offered intellectual leadership on how the Sustainable Development Goals can be a blueprint for transformative economic change, including for a fair globalization that works for all. In a series of UNCTAD Trade and Development Reports since 2017, proposals have been developed for a more supportive policy narrative constituting a “global new deal” to address the inclusive and sustainable objectives of the Sustainable Development Goals. Such a “global new deal”, or “global green new deal”, would crowd in much needed private investment through a public investment push in order to address deep-seated and widening social and economic inequalities and avert the existential environmental threat of climate change, especially in developing countries.

71. Yet such transformations imply significant resource requirements. The additional resources needed have simply not been forthcoming over the past four years, especially in the sectors that need additional resources most. The UNCTAD World Investment Report 2014 had first estimated that, at then current levels of investment in sectors relevant to the Sustainable Development Goals, developing countries faced an annual gap of $2.5 trillion in unmet resource requirements to achieve the Goals. Revisiting these estimates five years later, the UNCTAD investment trends monitor on the Sustainable Development Goals has demonstrated the lack of progress in investing in the 10 major relevant sectors for which investment gaps were first estimated in the World Investment Report 2014.

72. While signs of progress have been evident across some sectors, including climate change mitigation, food and agriculture, and health,

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23 As mandated by the United Nations Statistical Commission’s Inter-Agency and Expert Group on Sustainable Development Goal Indicators, UNCTAD is the custodian or co-custodian agency of indicators for the following Sustainable Development Goal targets: 10.a, on special and differential treatment for developing countries; 12.6, on sustainability reporting for enterprises; 16.4, on reducing illicit financial flows; 17.3, on mobilizing additional financial resources for developing countries from multiple sources; 17.5, on investment promotion regimes for least developed countries; 17.10 on promoting the multilateral trading system; 17.11, on increasing exports of developing countries and doubling the least developed countries’ share of global exports by 2020; and 17.12, on implementing duty-free and quota-free market access for the least developed countries.


25 See also UNCTAD, 2020d, chapter 5.
Sustainable Development Goal investment trends continue to fall short of the requirements projected in the World Investment Report 2014, with the order of magnitude not yet within a range that would make a significant dent in the total estimated annual gap of $2.5 trillion. Despite concerted efforts by the international community over the past four years to mobilize private sector investment in support of the Goals, the investment trends monitor on the Sustainable Development Goals additionally finds that international private sector flows to at least 8 of the 10 key Sustainable Development Goal areas have been either flat or declining.

Similarly, the Trade and Development Report 2019 (UNCTAD, 2019a) showed that the costs of meeting just the first four of the 17 Sustainable Development Goals – poverty elimination, nutrition, good health and quality education – would require developing countries to mobilize on average 11.9 per cent of their GDP in additional resources annually. This cost rises to 21 per cent of GDP in additional annual resources, on average, in Africa, and 22 per cent of GDP in additional annual resources, on average, in low-income countries. Additional resources of this magnitude have remained stubbornly out of reach, and UNCTAD has shown that efforts to bridge these gaps in many countries seriously endanger these countries’ debt sustainability. This limited room for fiscal manoeuvre has only been further constrained by the emergence of the COVID-19 pandemic, which has even begun to threaten the debt sustainability of countries that had hitherto sustainable debt trajectories.

The Least Developed Countries Report 2019 (UNCTAD, 2019d) has also shown how the additional resources needed for financing the Sustainable Development Goals in the least developed countries have not yet been forthcoming either. In the case of the least developed countries specifically, not only has the required additional financing far from materialized since the Sustainable Development Goals were agreed, but total external finance instead has also declined for this group of countries. With most least developed countries currently facing the most severe economic recession in 30 years due to the pandemic shock, these declines have an even graver impact on prospects.

Over the last four years, successive reports of the Secretary-General of the United Nations to the Second Committee of the General Assembly on international trade and development have also argued that fresh approaches are needed more than ever if trade and the multilateral trading system are expected to play a major role in global efforts to achieve the Sustainable Development Goals. These reports, prepared with the support of UNCTAD,

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have shown that trade growth has been affected significantly by rising tensions among major trading nations and by volatile commodity market prices, resulting in growth rates below those for GDP, thus reversing the prevailing state of affairs over the last three decades.

76. Together with the other four major stakeholders of the financing for development follow-up process – the United Nations Development Programme, International Monetary Fund, World Bank Group and WTO – UNCTAD has also contributed research and analysis over the last four years to the annual report of the Inter-Agency Task Force on Financing for Development, mandated by the Addis Ababa Action Agenda to monitor progress on financing for development commitments and means of implementation for the Sustainable Development Goals. The findings of the Inter-Agency Task Force’s annual report, produced in collaboration with the Department of Economic and Social Affairs of the United Nations, have also consistently underlined the fact that mobilizing sufficient financing remains a major challenge in implementing the 2030 Agenda for Sustainable Development. This challenge encompasses a wide range of the areas covered by the Addis Ababa Action Agenda, which are at the core of the UNCTAD mandate, including private business and finance, international trade and investment, technology, debt sustainability and systemic issues.

77. The work of the Inter-Agency Task Force has resulted in a few encouraging steps, such as commitments from the United Nations Secretary-General’s Strategy for Financing the 2030 Agenda for Sustainable Development and its three-year roadmap of actions committing the United Nations development system to support countries to adopt and implement “integrated national financing frameworks” in pursuit of their Sustainable Development Goal financing needs. Yet on the whole, the financing for development process has concluded over the past four years that the investments that are critical to achieving the Sustainable Development Goals remain underfunded and that the sustainability transition in the financial system is not happening at the required scale.

78. Over the past four years, UNCTAD research and analysis has also investigated some of the newer opportunities to enable Sustainable Development Goal implementation, which were highlighted at the fourteenth session of the United Nations Conference on Trade and Development, such as the digital economy and South–South cooperation. For the most part, however, the evidence that has been documented shows that nearly as many new challenges have accompanied these new opportunities.

79. For example, the potential of the digital economy, which received a strengthened emphasis in the Nairobi Maafikiano under the fourteenth session of the Conference, has been analysed in the inaugural edition of
the UNCTAD *Digital Economy Report* (2019b). The findings of the report, however, confirm that potential development gains from the digital economy are being compromised by deepening digital divides, exacerbated by the rise in market concentration of digital platforms and the uneven distribution of digital value creation globally.  

80. Similarly, in the lead-up to the Second High-level United Nations Conference on South–South Cooperation (the BAPA+40 Conference) held in Buenos Aires in March 2019, a special UNCTAD report, *Forging a Path Beyond Borders: The Global South*, showed that for as much as the so-called “rise of the South” has prompted enthusiasm, that “rise” has also been relatively uneven and incomplete. With an eye to reinvigorating this special form of development cooperation for the benefit of achievement of the Sustainable Development Goals, the report emphasized overcoming persistent structural economic barriers and growing opportunities for South–South cooperation on technology transfers and partnerships for technological innovation, to kick off innovative partnerships in key emerging areas such as “Industry 4.0”.

### B. Sounding the Intergovernmental Alarm about Lack of Progress on Economic Sustainable Development Goals

81. In light of the available evidence described above, UNCTAD has repeatedly sounded the alarm about the lack of progress on achieving the economic Sustainable Development Goals in various intergovernmental forums. Well before the outbreak of the COVID-19 pandemic, at the midterm review of the outcome of the fourteenth session, held at the Trade and Development Board in October 2018, I cautioned that a crisis in multilateralism – centred around lack of consensus on trade and development issues – was endangering the triple promises of 2015 due to an escalating trade war between the world’s two largest economies, a global showdown among major trading nations over leadership on frontier technologies and a looming debt crisis threatening the fiscal space of developing countries.


82. On the basis of the analytical work of UNCTAD described in section A above, during my annual statements to the Trade and Development Board, during my annual addresses to the Economic and Social Council forum on financing for development follow-up, and across my biannual statements at the meetings of International Monetary and Financial Committee and to the Development Committee, I have argued that we are falling further behind on Sustainable Development Goal implementation than where we were when we began in 2015. On balance, the available evidence suggests that this has been largely due to lack of sufficient collective efforts to meet the economic targets under key Sustainable Development Goals, especially a wide range of targets under Goal 8 on sustainable growth, Goal 9 on industry, innovation and infrastructure, Goal 10 on inequalities and Goal 17 on global partnership. There has also been a lack of sufficient progress on many other trade and development-related targets – especially on the means of implementation — under Goal 1 on ending poverty, Goal 2 on zero hunger, Goal 5 on gender equality, Goal 12 on sustainable consumption and production, Goal 13 on climate action, Goal 14 on life under water, Goal 15 on life on land and Goal 16 on strong institutions.

83. This insufficient progress on economic sustainability appears to be at least partly the consequence of fragmenting international solidarity and a lack of collective political will generated by this crisis in multilateralism. As we arrive at the first “early harvest” deadlines for some Sustainable Development Goal targets at the end of 2020, the lack of progress on important near-term trade and development-related economic targets is illustrative of this type of collective failure.

84. For example, blue economy targets under Goal 14 that come due in 2020 – such as ending harmful fishery subsidies – have been the focus of much discussion, but seen little progress, while ocean health continues to deteriorate, and the sustainability of global fishery resources continues to be depleted. Despite continued divergences among countries on the substantive details, efforts are under way to reach a symbolic agreement on ending harmful fishery subsidies before the end of the year. But the prospects even for such a symbolic outcome are slim, given ongoing disagreements among countries, which likely stem from deeper, more fundamental disagreements on the functioning of the World Trade Organization.29

85. Similarly, the goal of doubling the share in global exports of least

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29 Kanth DR, 2020, Attempts to finalize “symbolic” agreement on fisheries by year-end, SUNS – South North Development Monitor, No. 9234, 17 November.
developed countries by 2020 under target 17.11 remains unmet. Despite widespread international consensus on the weakness of the productive capacities of least developed countries, there have been only limited international efforts to build least developed country capacity to export.\textsuperscript{30} Instead, international support for least developed countries in the last four years has been more focused on treating the symptoms of these countries’ vulnerabilities, rather than tackling the root causes of their economic underdevelopment. Amidst declining official development assistance for aid for trade, information and communications technologies and economic sectors, donors have sought instead to emphasize humanitarian issues, for example migration, with consequentially limited progress on building the productive capacities of least developed countries.

C. Growing demands for technical support to the economic dimension of the Sustainable Development Goals

86. Coupled with difficult macroeconomic conditions and a challenging multilateral context, recognition among member States of the massive requirements needed to meet the sustainability imperative has driven an explosion of requests for UNCTAD technical cooperation and the nearly 30 technical cooperation programmes that make up the UNCTAD Toolbox, each of which supports specific economic targets of the Sustainable Development Goals. The surge in interest and demand for UNCTAD technical cooperation over the past four years has come mainly from developing countries concerned with the lack of progress due to the worsening economic environment.

87. While some developing countries have increasingly sought to self-finance these technical cooperation programmes, the apparent decline in donor country interest in some economic sectors, described above, may be one reason why so many country requests remain under-resourced. Out of some 448 formal requests for technical cooperation received from countries listed in the UNCTAD technical cooperation database, totalling more than $150 million in budget requirements, only about one third of this amount has been funded so far.

\textsuperscript{30} See UNCTAD, 2020b.
88. Notably, the number of technical cooperation requests and their respective budget requirements skyrocketed following the agreement on the Sustainable Development Goals and on the Nairobi Maafikiano that came out of the fourteenth session of the Conference. Even when including the current year, which may see fewer requests due to pandemic-related lockdowns, the average number of technical cooperation requests from 2017 to 2020 was nearly twice that for 2013–2016, at 74 requests on average versus 38 requests per year, respectively. Total indicative costed budgets were nearly three times higher, on average, up from $10 million per year for 2013–2016 to $28 million per year for 2017–2020.

89. Going forward, the UNCTAD technical cooperation strategy should consider how the changing nature and growing demand for technical cooperation to support the economic targets of the Sustainable Development Goals can be operationalized to effectively leverage the UNCTAD approach to trade and development, rooted in building transformative productive capacities. Future technical cooperation strategies may benefit from a stronger emphasis on country programming approaches, such as have been piloted by the Angola Train for Trade II project. But greater attention to coordination across UNCTAD technical cooperation activities should also complement existing inter-agency coordination efforts, such as the UNCTAD-led trade and productive capacity cluster and country-level and regional-level coordination mechanisms under the newly strengthened resident coordinator system and regional collaboration platforms. Adapting UNCTAD technical cooperation and advisory services to United Nations development system reforms will be of key importance.

D. Strengthening the United Nations development system’s focus on the productive side of economic sustainability

90. Efforts to reform the United Nations development system have also given new impetus to technical cooperation supporting achievement of the economic dimension of the Sustainable Development Goals. The reforms, which had been in the planning phase and then initial stage of implementation over the past four years, are only just beginning to bring to bear the full...
weight of United Nations economic expertise – including that of UNCTAD – on progress of developing countries towards achieving the Goals.

91. Much as the outcome of the fourteenth session of the Conference sought to align the UNCTAD work programme to supporting the implementation, follow-up and review of the Sustainable Development Goals, the quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/71/243) agreed in December 2016 sought to align the entire United Nations development system – in particular its resident coordinator system and United Nations country teams – with the broader economic, social and environmental ambitions of the 2030 Agenda.

92. The 2016 quadrennial comprehensive policy review set out the broad contours of what has now become recognized as the United Nations development system reforms. It called upon all United Nations entities to provide, inter alia “evidence-based and, where appropriate, integrated policy advice to support countries in the implementation of, follow-up to and reporting on” the 2030 Agenda, in particular “by mainstreaming the Sustainable Development Goals into national plans, including by promoting sustained and inclusive economic growth, social development and environmental protection”. After four years of implementation this has led to bold changes to the United Nations development system, creating a new generation of country teams centred on more strategic development system-wide cooperation frameworks in each country, informed by more analytical common country assessments and led by more empowered resident coordinators who report directly to the United Nations Secretary-General.

93. The technical cooperation efforts of the United Nations system at the country level, however, have yet to fully mainstream the policy advice and global approaches to economic issues, promoted by United Nations entities specialized in economic affairs at the global level, such as UNCTAD and other non-resident agencies. Indeed, the 2016 quadrennial comprehensive policy review recognized “that national efforts should be complemented by supportive global and regional programmes, measures and policies aimed at expanding the development opportunities of all countries, supported by an enabling economic environment, including coherent and mutually supporting world trade, monetary and financial systems, and enhanced global economic governance.” This recognition has, however, still not fully translated into integrated and coherent approaches to these issues in country-level United Nations advisory services and technical cooperation.

94. Some progress has been made in expanding technical cooperation efforts that harness global approaches, notably in light of increasing attention to key issues such as financing for development. For example,
as described above in section III.A, a proposal from the Inter-Agency Task Force of Financing for Development has led to the preparation of “integrated national financing frameworks” by United Nations country teams in more than 60 countries. These frameworks aim at leveraging supportive global or regional programmes and measures or policies, such as UNCTAD investment policy reviews.

95. Progress has also been made in improving inter-agency cooperation and dialogue on economic issues, such as through the creation of a United Nation’s Economists Network led by the Assistant Secretary-General and Chief Economist of the Department for Economic and Social Affairs. UNCTAD economists have been active participants in this network. There is, though, still more ground to be travelled in order to ensure that the productive side of the economic dimension of the 2030 Agenda for Sustainable Development is fully mainstreamed in delivery by United Nations country teams. The growing contingent of economists working in the resident coordinator system is encouraging, but this will also require continued concerted efforts in mobilizing and properly resourcing the full complement of existing global-level experts involved in the economic work of the United Nations, including UNCTAD and other non-resident agencies that operate at the global level with limited in-country presence.

96. The implementation of United Nations reforms has therefore helped signal the importance of trade and development issues, but not yet nearly enough to change course on global progress on the Sustainable Development Goals. For example, most recently, the United Nations development system’s socioeconomic response framework for supporting countries’ response to the COVID-19 pandemic has starkly illustrated how technical cooperation harnessing global approaches to trade and development issues still remains a work in progress. The socioeconomic response framework, developed by a group of United Nations entities, including UNCTAD, at the request of the Chair of the United Nations Sustainable Development Group, the United Nations Deputy Secretary-General, is articulated around five pillars: (a) protecting health services and systems; (b) social protection and basic services; (c) protecting jobs, small and medium-sized enterprises, and informal sector workers; (d) macroeconomic response and multilateral collaboration; and (e) social cohesion and community resilience.

97. As of November 2020, this framework had guided United Nations country teams in preparing socioeconomic response plans covering more
than 100 countries. However, an early review of these response plans by the Development Coordination Office and the United Nations Development Programme found that the macroeconomic pillar (pillar 4) was among the weakest across all such response plans. While efforts have been made to minimize this weakness in the socioeconomic response plans, the weakness reflects more generally that macroeconomics is the least well-established area of expertise and work among United Nations country teams. This is understandable, for the most part, given that the United Nations agencies with the most extensive competence in economic matters have a very limited in-country presence and have only limited interactions with United Nations country-level work.

98. UNCTAD in close collaboration with the Department of Economic and Social Affairs and the regional commissions have been called upon to help address this gap on economic policy expertise in the United Nations system. From the point of view of trade and development issues, providing intellectual leadership to the United Nations development system’s economic policy experts requires utilizing the approach laid out at the fourteenth session of the Conference and considering the lessons learned over the past four years. Member States must not abandon course on the contribution of trade and development to the Sustainable Development Goals, but instead must resolve to take the Goals more seriously as a road map for economic recovery from the pandemic and towards a fairer and greener globalization.

E. Taking the Sustainable Development Goals seriously, staying the course and learning the lessons from implementation challenges

99. Intergovernmental deliberations, evidence-based research and analysis and operational development activities have noted and confronted the rising obstacles to achieving the economic dimension of the Sustainable Development Goals, but these have not resulted in sufficient attention to the issues and to the change in strategies needed to reverse the slowing of progress. At the July 2020 high-level political forum, United Nations Secretary-General Guterres frankly acknowledged to ministers that, “at a time when we desperately need to leap ahead, COVID-19 could set us back years and even decades, leaving countries with massive fiscal and
growth challenges. The crisis is taking us further away from the Sustainable Development Goals... It is having devastating impacts because of our past and present failures. Because we have yet to take the Sustainable Development Goals seriously”.

100. Importantly, however, in the face of the pandemic, Member States have not abandoned the Goals but rather have resolved to strengthen their implementation as part of response and recovery from the pandemic. The 2030 Agenda and the Sustainable Development Goals remain an enduring and unifying vision, providing a framework to guide our actions as we look to respond and recover better. Indeed, the United Nations collective response to the pandemic has focused on the notion of working towards “a better recovery” that rebuilds, better equipped to meet the unfulfilled commitments of the Sustainable Development Goals along all their dimensions. The deliberations at the 2020 Economic and Social Council high-level political forum and at the seventy-fifth session of the General Assembly of the United Nations, including at important events such as the Sustainable Development Goal Finance Summit have demonstrated the strong commitment from Member States to rally behind the Goals – especially along their economic dimensions – as a way out of the crisis engendered by the COVID-19 pandemic. Indeed, the high-level events of the seventy-fifth session of the General Assembly featured high-level recognition of the UNCTAD mandate, acknowledging the trends and narrative that have led to the pre-existing economic conditions in the developing world, which the pandemic has exposed so glaringly.

101. With overall progress much farther behind today than we could even have imagined a year ago, but with the objectives of the Sustainable Development Goals more relevant than ever, the work programme agreed at Nairobi therefore should be reaffirmed at Bridgetown. The outcome at Bridgetown must also benefit from the lessons that UNCTAD has learned over the past four years of difficult implementation challenges.

102. The principal lessons learned over the past four years of implementation challenges are that the ambitious policy approaches agreed four years ago at the fourteenth session of the Conference – rooted in building transformative productive capacities for all – have become an even more relevant means of transformation for developing countries. This approach should be reaffirmed and reinforced. It should also play a more visible role beyond UNCTAD, in the wider United Nations development system. If building
transformative productive capacities to reduce the deep fractures in the world economy can find an even more central role in international cooperation and multilateral consensus, then the prospects of achieving the 2030 Agenda and its transformative ambitions beyond the pandemic and indeed beyond 2030 will become more likely.

103. This can be particularly supported by UNCTAD through finding new multilateral consensus on inclusive approaches to the changing global production structure, finding new consensus on the role that trade and development play in the transformations the world needs to tackle climate change, as well as finding new consensus on improving the fiscal space of developing countries in light of the COVID-19 pandemic. These new pathways for trade and development – held together by the guiding objective of building transformative productive capacities – can lay the foundations for a more resilient multilateralism.