

Second Drafting Session on Third FfD Conference

Civil society interventions on International Trade for Sustainable Development

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We support a multilateral trading system that is both equitable and offers special and differential treatment for LDCs that aims not to just increase trade flows, but is negotiated to achieve sustainable development objectives.

Toward this end, **Paragraph 73** should take note that too often preferential trade agreements are negotiated in secret and serve to increase inequalities between countries and within them as well. Therefore, the paragraph should take note that appropriate supporting policies that advance sustainable development should include the need for trade adjustment assistance for displaced workers, as well as specific workforce development and social protection policies that advance sustainable development and lessen inequalities. International trade should not be a business model for the consolidation of Multinational Enterprises to curtail competition, but a cooperative effort to achieve sustainable development objectives through international cooperation and integration.

We also take note of **Paragraph 74** that simply refers to “international” trade agreements without specifying the rise of preferential trade agreements that often divert trade and serve to undermine the multilateral trading system and the Doha Development Agenda round negotiations. Further, we consider it inappropriate to refer to the Trade Facilitation Agreement without equally recognising the critical issue of public stockholding and food security, which is required not only to respect the domestic policy space of developing countries, but to fulfil the human rights of their citizens. We therefore ask that the need to advance a Permanent Solution on Food Security be included in this paragraph.

In **Paragraph 75**, we note the increase in the share of world exports of developing countries, mostly reflects commodity price increases---prices which are of course now decreasing-- rather than improvements in quantity and value-added of productive capacity.

In **Paragraph 76**, we think it’s worth keeping discussion of agricultural and fisheries markets separate, given their separate treatment within the WTO.

In relation to **Paragraphs 79 and 80**, we ask for recognition that countries at different levels of economic development stand to benefit from trade liberalisation to differing degrees, just as developed countries have paced their own integration into regional and global markets to suit their industrial objectives. We ask that in encouraging regional integration, countries commit not to exploit labour standards

or social inequalities, such as the gender wage gap, as a source of competitive advantage.

In relation to Aid for Trade, such aid should be consistent with the development strategies of developing countries and not be conditional on the adoption of trade policies that are contrary to those strategies.

With respect to **Paragraph 81** we need to take note of how such preferential trade agreements also serve to decrease policy making space at national and local levels of governance, policy making space needed to effectively advance sustainable development objectives. We welcome the zero draft document's call for review of the investor-state dispute settlement outcomes to better understand how trade and investment agreements may effectively shift private sector risk upon the public liability ledgers of public authorities at all levels of governance. Towards this end, we suggest that UNCTAD develop methodologies and data to analyze and reveal how trade and investment agreements shift risk from the private sector to public authorities, and in particular how trade agreement clauses such as investor-state dispute settlement, actually increase public liabilities rather than secure fiscal stability and advance sustainable development.

Further, in relation to **Paragraph 81**, we ask that trade and investment agreements are both transparently negotiated and do not constrain domestic policies broadly intended to promote local economic and social development objectives, including food security and industrialisation. We support the call to retain the review of investor-state dispute settlement clauses, and ask that this paragraph reflect the need for the mandatory review of multilateral and bilateral trade and investment agreements, including ex ante and periodic gender, human rights and environmental impact assessments for all trade and investment agreements.