



Global Policy Forum on Development

Policy coherence for development in the 2030 Agenda: the case for aid for trade

21 March 2018 (9:00-11:00)

Title of session: Policy coherence for development in the 2030 Agenda: the case for aid for trade.

Trade and development in the SDG era: policy coherence, complementarity and inclusiveness.

Objective(s): Examine how the implementation of the EU aid for trade strategy will help generate sustainable development impacts, along with the EU trade (Trade For All) strategy. The session will look at the importance of policy coherence for development to ensure development effectiveness of the development-trade nexus.

Expected Results:

- Better understanding the interlinkages between EU trade policy and EU development policy in supporting the achievement of the SDGs more effectively;
- PFD constituencies share their views on the direction of EU trade policy and its coherence with the European Consensus on Development and the SDGs, with national and regional examples, as well as best practices;
- European institutions increase their understanding of the key role of civil society organisations (CSOs) and local authorities (LAs) in trade agreements negotiations and implementation, particularly in light of the Trade for All strategy, the new EU Aid for Trade strategy and their link with Policy Coherence for Sustainable Development (PCSD);
- Explore new ways for CSO and LA engagement in EU trade and EU aid for trade policies, in support of SDG realisation.

Background:

Trade is closely linked to sustainable development and has a great impact in the development of countries. The European Consensus on Development has committed to promote and facilitate trade and investment in developing countries in support of sustainable development. The EU will continue to promote trade and regional integration as key drivers of growth and poverty reduction in developing countries. Through the implementation of the



'Trade for All' strategy and the updated EU Aid for Trade strategy, the EU and its Member States will support their partner countries, including through economic partnership agreements, to unlock the sustainable development potential (in its three dimensions) of trade.

In line with policy coherence for development commitments, development support shall be used where appropriate to help countries make the most of the provisions in trade agreements, in particular those relating to trade and sustainable development. The EU and its Member States shall promote inclusive and sustainable economic growth and help developing countries adopt growth models that take account of resource scarcity and climate change action. This includes promoting sustainable value chains and environmental and social standards.

The new Aid for Trade Strategy, launched in November 2017, proposes to: 1) better combine and coordinate tools for development finance of aid for trade, both at European and national level; 2) improve synergies with other instruments, such as EU trade agreements, trade schemes or the EU's innovative External Investment Plan; 3) strengthen social and environmental sustainability, together with inclusive economic growth (for instance through increased stakeholder-engagement such as structured dialogue with CSOs, LAs and the private sector); and 4) better target least developed and fragile countries, as well as tailoring approaches to individual countries' specificities.

The Trade for All (TfA) strategy states that an effective trade policy should dovetail with the EU's development and broader foreign policies, as well as the external objectives of EU internal policies, so that they mutually reinforce each other. It also notes that EU trade policy is more debated today than at any time in recent years, with many asking whether it is designed to support broad European interests and principles or the narrow objectives of large firms. Moreover, TfA reaffirms that trade and investment policy must be consistent with other instruments of EU external action.

The European Commission's recent reflection paper on Harnessing Globalisation underlined the EU's commitment to developing a balanced, rules-based and progressive trade and investment agenda that not only opens markets in a reciprocal way but also enhances global governance on issues like human rights, working conditions, food safety, public health, environmental protection and animal welfare. Trade agreements should also contribute to the achievement of the SDGs.



CSOs and LAs are important stakeholders in the nexus between trade and sustainable development. Past experiences have shown how their participation and inclusion in trade agreement negotiations and monitoring are necessary to ensure their effectiveness. Moreover, CSOs and LAs have vast experience in alternatives such as fair and ethical trade, human rights defence, fight against corruption and promotion of decent work. CSOs and LAs also have concerns in terms of implementation, inclusiveness and coherence between trade negotiations and EU development policy. This panel should give a voice to these concerns, while presenting best practices from PFD constituencies.

Methodology: the session will last 2 hours:

- Introduction to the panel and speakers (5 minutes)
- presentations from speakers (10 minutes each = 50 minutes)
- Feedback between speakers (1 minute each)
- Q&A with audience (50 minutes)
- Wrap up and conclusions (10 minutes)

Background documents:

- New Consensus on Development
- EC Aid for Trade Communication and Council Conclusions
- EC Trade for All Communication
- EC reflection paper on Harnessing Globalisation