

**UNCTAD Side Event**  
**Making the SDGs Work: Harnessing Trade, Investment,  
Finance and Technology for Sustainable Development**  
**10 February 1:30pm EST**  
**UNHQ CR 12, NY**

**Mukhisa Kituyi (Secretary-General of UNCTAD)<sup>1</sup>**

Mr. Secretary-General opened the side event by noting that UNCTAD works very closely together with the WTO through Geneva in helping develop targets and indicators for the SDGs and the FfD3, but he acknowledges that debates have to take place in New York between developing and developed nations. It is important to strengthen INDCs while observing the developmental state of a country. UNCTAD advocates that benefits derived on a national level be spread to ensure local returns and endorses global solidarity for combating tax shifting. One way the UNCTAD has been effective in doing so has been the development of software used in most countries for collective customs control. In order to make the SDGs work, developing countries should support the acquisition and exchange of entrepreneurial skills, especially for women. Since LDCs are the main area in which poverty and inequality transpire, it is important to protect consumers and provide sustainable jobs through solid industrial policy. China has been cited often in this context as a role model of industrialization and lifting people out of poverty.

**An Economist<sup>2</sup>**

According to this Economist, one of the unspoken dilemmas about the SDGs, as compared to the MDGs, is a more global hostile environment. While the MDGs were negotiated in 2000, there was low-cost trade, a strong system of remittances, high levels of aid, yet, now such an environment has dissipated. It is now much harder for developing countries because the austerity measures of developed countries have negative spillovers on the global south (slowing down the flow of funds needed for investment).

**Ibrahim Mayaki (Former Prime Minister of Niger)**

Mr Mayaki emphasized the need to boost industrialization as one of the central means of combatting youth unemployment in Africa. Clear priority should be fostering regional infrastructure in areas like energy and ICT; national infrastructure is easy to build up, but only regional infrastructure can provide benefits for all parts of the population. In Niger, one of the central difficulties is tax collection, not necessarily from citizens but from multinational corporations (MNCs) that don't pay taxes in Niger, but that extract an immense amount of the wealth/value of the country.

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<sup>1</sup>The President of the General Assembly joined the discussion later, so the programme has been shifted around so that Mr. Kituyi initiated the conversation.

<sup>2</sup>Name not cited in program

### **Abdulkalam Abdul Momen (Ambassador Bangladesh)**

The Ambassador pointed out that trade can be a powerful engine of growth but only if the engine is allowed to function; that means, that tariffs and trade policies must work well. He points out that LDCs like his own need market access and investment; he considers it a central tenet that developed countries should incentivize foreign companies to invest in LDCs because without quality funding the SDGs cannot be achieved. One successful example of financing, originating from Bangladesh, is the Grameen Bank that provides micro-financing.

### **Choong-hee Hahn (Ambassador of the Republic of Korea)**

The Ambassador illustrated the Korean development experience whereby in 1961 the 5-year plan set strategies and targets to increase trade, investment and R+D, while improving labor productivity and implementing social reform to spur rural development. Good governance, strategy, innovation and a good balance of private and public engagement ensured that trade and investment would lead to progress. The Republic of Korea is in a unique position for the intergovernmental negotiations in that it can help bridge developing and developed countries. According to the Ambassador, harmonization of trade law is one of the most important tools in making the SDGs work because it eliminates cross-border legal uncertainty, increases investor confidence, reduces investment risk and thus encourages the flow of investment.

### **Aldo Caliarì (Director, Rethinking Bretton Woods Project, Centre of Concern)**

Mr. Caliarì emphasized that there is a central governance impediment related to global value chains, wherein many countries are stuck in low value chains and cannot move up. Additionally, Mr. Caliarì called delegates to address the reduction of debt because “the implementation of the SDGs can’t move without it”.

### **President of the GA**

The PGA illustrated the many advantages there are in increasing trade, for trade will enable growth and employment, which in turn lead to rising tax revenues and greater social security for citizens in the form of nutrition, health care and the advancement of women. Islands and small countries are particularly reliant on the exploitation of commodities, so it is important to expand trade capacities by reducing tariffs and trade barriers.

### **Ambassador of Benin (in French)**

The Ambassador cited how infrastructure investment and trade liberalization enabled the development in his country. One of the central determinants of success is having solid terms of exchange, which ensure that benefits reach a local level. Once the poor became agents of their own development, it would re-equate the imbalance between developing and developed countries. The Ambassador endorsed bottom-up growth as opposed to having MNCs operating in LDCs that decline to share profits.

### **International Center for Trade and Sustainable Development**

The delegate called upon members of the house to build on private and voluntary initiatives as well as to strengthen regional trade agreements. The delegate raised the question how, in order to reduce capacity constraints, the SDGs can help countries use free trade agreements.

### **Ambassador of Kenya**

*This contribution was referenced and commented on several times throughout the ensuing course of debate.*

The Ambassador pointed out that in drafting the SDGs, delegates have not yet found a way to solve the most complex parts of it. He warned delegates to be cautious not to focus too much on implementation while the structure of the document is still being discussed. Furthermore, he agrees that prioritizing LDCs is important, while it is also important to include non-LDCs because poverty is not exclusive to LDCs. The Ambassador also criticized formulating nation-state priorities because the concept of the nation-state is problematic; instead it would be better to work on strategies in terms of regions.

In his comments, the Ambassador also called upon UNCTAD to define the agenda for the MOI, but to do so not just for the technical aspect, but also to embrace the political challenges. The meeting in Addis Abeba is very important because the SDG “will go no where” without the FfD3 and proper MOI.

Finally, the Ambassador indicated that addressing social challenges like health, education and sanitation requires room for flexibility; the SDGs shouldn't be focused exclusively on investment.

### **Ambassador of Zambia**

Enabling economic transformation is critical, so as to not leave LDCs behind. The Ambassador called on the Vienna Program of action, which supports competitiveness, labor productivity, and an increase in trade flows. In addition to M&E systems, the Ambassador suggested installing voluntary peer reviews.

### **Ambassador of China**

The Ambassador of China highlighted several ways to promote trade. Firstly, she emphasized the importance of the work of the UNCTAD. Secondly, she indicated that trade can be a MOI and the SDGs should take into account which aspects work and which ones could work better (i.e. technology). She referenced technology as a catalyst and how technology transfer can help in fields like education and health care. Capacity building and the work that UNCTAD does are at the center of having an impact on a regional level.

### **Ambassador of Laos**

Despite the growth of the ASEAN economic community, the Ambassador emphasized the need for ODA and FDI.

### **Closing Remarks by different panelists**

All panelists emphasized the need for UNCTAD to have a stronger presence in NY and that trade should be one of the key elements of the SDG/FfD3. The Korean Ambassador advocated for interpreting trade in a broader sense, including the private and public sphere as well as a stronger emphasis on commerce, especially for LDCs. The Economist illustrated those countries that have greater imports than exports are particularly vulnerable to global shocks and financial dangers. He cited the development of the Republic of Korea, which had built a strong

domestic market first and only then adopted a more global positioning. Many LDCs have a hard time building up a local industry given the strong presence of MNCs. The speaker continued by saying that the regional context is important and even though the nation-state may be disputed, no strong economic development is possible without the leadership and legal framework provided for by a nation-state.

**Notes**

- There were no speakers from the Global North / developed countries
- Even though many civil society members were present, diplomats led most of the discussion (total number of participants: 60-80 people)