



SPECIAL PROGRAMME FOR THE ECONOMIES OF CENTRAL ASIA (SPECA)

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PRINCIPLES OF SUSTAINABLE TRADE

Work on SDGs in the United Nations and its Member States increasingly concentrates on the need to ensure that economic growth, environmental protection and social inclusion are part of an integrated development agenda, where trade is an engine for sustainable development.

The link between trade and sustainable development has been clearly underlined in major programming documents. The Sustainable Development Goals (SDG 17.10) of the 2030 Agenda for Sustainable Development (Sept. 2015) and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (July 2015)¹ define international trade as “an engine for inclusive economic growth and poverty reduction”. Both documents clearly promote the “universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO)” as a tool for achieving growth and development around the world. The 2030 Agenda clearly defines the need for a new thinking, combining economic growth and prosperity with the need for action on preventing the deterioration of the environment parallel to human and social development. Trade plays an important role in allocating global resources more efficiently to achieve these goals. The Pan-European Strategic Framework for Greening the Economy (Batumi, 10 June 2016), promotes in its Focus Area 6 “Green and Fair Trade”.²

Given the right policies and regulations are put in place, international trade has the potential of enabling countries to benefit from investment and integration into regional and global value chains that foster sustainable development. The transition to an inclusive green economy enhances trade opportunities by opening new export markets for environmental goods and services. Demand increases for resource and energy efficient production and processing methods and for sustainability-certified products, as markets for them are growing fast. “There are economic gains to be made from making trade more socially and economically sustainable. Growing trade in environmental goods and services, as well as the diffusion of sustainability standards and the greening of global value chains, can significantly influence”³ job markets, production and cross-border trading patterns.

Facing some of the most serious challenges of climate change and social development in today’s world, the Governments of countries participating in the United Nations Special Programme for the

¹ UN Sustainable Development Knowledge platform, “Addis Ababa Action Agenda of the Third International Conference on Financing for Development”,
<https://sustainabledevelopment.un.org/frameworks/addisababaactionagenda>

² UNECE (2016), Eighth Environment for Europe Ministerial Conference Batumi, Georgia, “Pan-European Strategic Framework for Greening the Economy”,
<http://www.unece.org/fileadmin/DAM/env/documents/2016/ece/ece.batumi.conf.2016.6.e.pdf>

³ UNEP (2016). Green Economy and Trade Opportunities Project: Synthesis Report. Geneva: UNEP, p.11

Economies of Central Asia (SPECA)⁴ should work on adopting and implementing rules for responsible, environmentally sound trading practices that support sustainable development. It is important to integrate sustainable development into trade policy at all levels, and reflect this in the countries' drive to increase volumes of trade and diversify exports. Switching to trade aligned to sustainable development can be beneficial and profitable for the SPECA economies. For this reason, the SPECA countries may consider the following principles of regional trade development aligned with the Sustainable Development Goals for inclusion into their sustainable development plans.

Principles of sustainable trade

International trade has the potential to bolster the achievement of a number of sustainable development objectives, especially if its development abides by such principles as:

1. Mainstream trade into national and sector strategies to achieve the SDGs, and relevant SDGs into trade development strategies;
2. Encourage long-term investment in productive capacities, including diversification and innovation of production and trade, aligning them to the requirements of sustainable development;
3. Adopt appropriate regulation, so that trade can facilitate the transition to more sustainable and equitable growth and to a green economy by fostering the exchange of environmentally sound goods and services, by increasing resource and energy efficiency, and by generating economic and employment opportunities for all;
4. Further develop rules for environmentally friendly trade;
5. Focus on export diversification and value addition;
6. Foster productive employment and decent work conditions, through trade policies and practices that help create jobs and eliminate poverty in all countries;
7. Reduce inequality by letting poorer countries and people accede to markets, investments, and new technologies, while allowing the achievement of higher working and living standards;
8. Identify and harness trade opportunities associated with a transition to green economy;
9. Eliminate trade subsidies that negatively affect the environment and employment;
10. Invest in food security by providing access to agricultural products for a larger portion of society, thus offering more, broadly accessible and higher standard food products on the markets;
11. Promote international and regional trade governance frameworks that foster sustainability; integration of national and international initiatives that build up synergies between trade, the green economy, and social inclusion – decent jobs for all;
12. Promote the multilateral trading system in the SPECA subregion, so that international trade rules support sustainability of trade policies and practices;
13. Ensure that non-tariff measures designed to protect nature, society and the economy do not become barriers to trade;
14. Develop national sustainability standards for trade, which are related to international standards and best practices (connecting such standards in exporting and importing countries);
15. Encourage new forms of public-private partnerships to support the parallel advancement of trade and the green economy;
16. Further women's empowerment, increasingly involving women in managing trade operations and the advancement of sustainable trade;
17. Advance the development of financing mechanisms to support the shift to green trade, including capacity-building for the public and private sectors;

⁴ The countries participating in the United Nations Special Programme for the Economies of Central Asia are Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

18. Cultivate a new ethics in the trading community that would support the overall achievement of the sustainable development goals;
19. Make the advancement of e-commerce a force for inclusion; and
20. Support micro-, small- and medium-sized enterprises to engage more effectively and efficiently in international trade.

Conclusion and recommendations

Subregional cooperation promoting rules and practices that advance in parallel regional trade and sustainable development will help the SPECA subregion achieve the objectives of the 2030 Agenda on Sustainable Development. Economic and trade diversification based on economic, environmental and social innovations fostering sustainable development would create trade opportunities and generate larger scale efficiency, while creating new “green” jobs. From this perspective, the SPECA countries may consider including the above principles in their sustainable development planning.

The SPECA framework can serve as a platform to analyze the effects of trade growth in the region and promote trade policy reform and subregional cooperation in support of SPECA countries’ implementation of SDGs related to trade. Based on such an analysis, a list of recommendations to the countries and the UN secretariat would be prepared in the SPECA framework, with a focus on:

1. Possible input to policy decisions in SPECA countries’ efforts to achieve the SDGs.
 2. Identification of next steps, in terms of work programmes, cooperation plans, exchange of best practices, standards and tools for sustainable trade, water management, food security, and other related areas, in order to achieve the SDGs in the SPECA subregion.
 3. Definition of areas, in which subregional projects on sustainable trade would be likely to attract funding for these next steps.
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