

TRADE

Target 8.A is the main trade-related target under MDG 8, and it is applicable to all developed and developing countries. Two other targets – **Targets 8.B and 8.C** – address the special needs of the least developed countries (LDCs) and landlocked (LLDCs) / small island developing states (SIDS) respectively.

One of the main vehicles for advancing progress towards the commitment to develop further an open rule-based multilateral trading system that delivers more benefits to developing countries is the Doha Round of the WTO. Since progress under the Round would be reached only through a ‘single undertaking’, any delay in completing the Round represents an obstacle to making progress against the Target. Even though repeated calls have been made at all forums, Member countries of the WTO are yet to agree on modalities that will help conclude the Round. In recent years, more emphasis has also been placed on addressing trade-capacity constraints in developing countries through the ‘aid for trade’ initiative, and through the Enhanced Integrated Framework for Trade-Related Technical Assistance to the LDCs.

Commitment / Initiative	Targets and indicators	Gap
<p>Millennium Summit, New York, 6-8 September 2000 – MDG-8</p>	<p>Targets:</p> <p>8.A. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system</p> <p>8.B. Address the special needs of the LDCs. Includes tariff- and quota-free access for LDC exports, etc.</p> <p>8.C. Address the special needs of landlocked developing countries (LLDCs) and small island developing states (SIDS)</p> <p>Indicators:</p> <p>8.6. Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty</p>	<p>Failure to conclude a multilateral trade round that delivers real and substantial benefits to developing countries.¹</p> <p>Although the special needs of LLDCs and SIDS have not been addressed explicitly in the Doha Round negotiations, special provisions for "small, vulnerable economies" in the agricultural, non-agricultural, rules and trade facilitation negotiations have done so indirectly.</p> <p>The Hong Kong Ministerial declaration (2005) commits developed countries to provide duty-free and quota-free (DFQF) access to 100 percent of LDCs export products, with the possibility for Members facing difficulty to achieve that, to provide 97 percent with the</p>

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	<p>8.7. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p>8.8. Agricultural support estimate for OECD countries as a percentage of their gross domestic product</p>	<p>obligation to take steps to progressively achieve compliance with the 100 percent threshold. However, this 97 per cent commitment refers to individual tariff lines, not total export values. This difference is important in view of the concentration of LDCs exports on a few products. In value terms, the share of LDC exports excluding arms admitted duty-free has shown some improvement since 2000 and has increased to 92 percent in 2008. However, once oil is also excluded, the share of exports admitted free of duty has remained unchanged since 2004 at just around 80 per cent. To some extent this is skewed downwards because a small number of LDCs face a greater degree of restrictions on some of their exports (e.g., clothing).</p> <p>Insufficient reduction in tariffs on developing country exports of agricultural products and textiles and clothing. With the exception of agricultural exports, tariff reductions since 2004 have been very small.</p> <p>Eliminate subsidies to agricultural exports by 2013 in developed countries in line with the 2005 Hong Kong, China, ministerial commitment and, in addition, further reduce other trade-distorting agricultural support. Primarily as a result of the food crisis, agricultural support in developed countries, as percentage of GDP, showed a small drop in 2008, falling to 0.8 per cent, continuing the downward trend set in since the 1990s. However, at \$376 billion, it remains high in absolute terms and even increased by \$12 billion since 2007, distorting trade.</p>

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	8.9. Proportion of ODA provided to help build trade capacity	<p>Insufficient support to the Aid for Trade and Enhanced Integrated Framework initiatives. Aid for Trade is intended to assist developing countries, and especially LDCs, in building their trade-related infrastructure and productive capacity. Although Aid for Trade commitments increased 35% in 2008, LDCs received just 25% of the total.</p> <p>There is scope for increasing and improving the targeting of resources to ensure that countries in most need receive the most aid. For countries whose trade-related needs have not been identified, Governments should conduct appropriate national needs assessment.</p>
<p>Midterm Review of the Almaty Programme of Action, (Resolution A/RES/63/2), October 2008</p>	<p>Call upon landlocked and transit developing countries, donors, UN system, multilateral agencies and development partners to undertake a series of measures to speed up the implementation of the Almaty Programme of Action.</p>	<p>See list of measures in document A/RES/63/2. It is difficult to measure a gap.</p>
<p>G-20 Summit on Financial Markets and the World Economy, 15 November 2008</p>	<p>Commitment to achieve a successful outcome of the Doha Round (strive to reach agreement on modalities that leads to a successful conclusion to the WTO's Doha Development Agenda with an ambitious and balanced outcome) and reject protectionism (a commitment was made to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports within the next 12 months).</p>	<p>Failure to conclude the Doha Round.</p> <p>Increase in protectionism. WTO monitoring shows that an increasing number of protectionist and trade-distorting measures had been adopted since the beginning of the crisis, as well as potentially trade-distorting domestic subsidies and national stimulus packages. Recourse to new trade restrictions from September 2009 to mid-May 2010 was less pronounced and the overall extent of these restrictions has been limited.</p>

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Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, Nov.-Dec. 2008	Urgently re-engage and strive to reach agreement by the end of 2008 on modalities that lead to a successful and early conclusion to the Doha Round with an ambitious, balanced and development-oriented outcome.	Failure to conclude the Doha Round.
G-20 London Summit , 2 April 2009	Reaffirming the commitment made in November 2008 to a successful conclusion to the Doha Round and to reject protectionism. A commitment was made to rectify any such measures and this pledge was extended to the end of 2010. In addition, the G-20 members pledged to notify promptly the WTO of any protectionist measures, to promote and facilitate trade and investment, to minimize any negative impact of their domestic policy actions on trade and investment, and to ensure availability of at least \$250 billion over the next two years to support trade finance.	Failure to conclude the Doha Round. Increase in protectionism, see above.
UN Conference on the World Financial and Economic Crisis and its Impact on Development , 24-26 June 2009	Reiterate commitment to an early conclusion to the Doha Round that places the needs of the developing countries at the center, to implement DFQF access to LDCs, to the principle of special and differential treatment for developing countries, to the elimination of export and other trade distorting agricultural subsidies, and to meeting existing aid for trade pledges. Undertake efforts to resist protectionist tendencies and rectify any protectionist measures already taken.	Failure to conclude the Doha Round. For the gap in achieving the MDG8 indicators, see above. Increase in protectionism, see above.
G-8 Summit of L'Aquila , 8-10 July 2009	Reaffirm the pledges made at the G-20 summits in Washington and London, including the commitments to successfully conclude the Doha Round and to resist and rectify any protectionist measures. The G-8 and the leaders of Australia, Indonesia and Republic of Korea are committed to seek an ambitious and balanced conclusion to the Doha Round in 2010.	Failure to conclude the Doha Round. No specific timeframe for the successful conclusion of the Doha Round in 2010 was set. Increase in protectionism, see above.

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G-20 Pittsburg Summit , 24-25 September 2009	Reaffirm commitments to bring the Doha Round to a successful conclusion in 2010 and fight protectionism.	Failure to conclude the Doha Round. No specific timeframe for conclusion in 2010 was set. For protectionism, see above.
G8 Muskoka Summit , 25-26 June 2010	Renew the commitments to successful conclusion of the Doha Round, to resist protectionist measures and to promote liberalization of trade and investment.	Failure to conclude the Doha Round. For protectionism, see above.
G-20 Toronto Summit , 26-27 June 2010	Renew for a further three years, until the end of 2013, the commitment to refrain from protectionist measures. Reiterate commitment to conclude the Doha Round as soon as possible.	Failure to conclude the Doha Round. For protectionism, see above.
1 A summary of progress in the Round is presented below this table.		

Progress in Doha Round negotiations and the development agenda

In various international fora Heads of State and Ministers have reaffirmed that international trade is an engine for development and sustained economic growth. The fundamental strategy of the Doha Round has been to increase trading opportunities for developing countries by lowering trade barriers, particularly in developed markets. The failure to reach an agreement on the Doha Round represents a major delivery gap in strengthening the global partnership for the MDGs. The negotiations under the Doha Round are at an impasse. Since the last major push for a breakthrough collapsed in July 2008, WTO members have made repeated attempts to move the negotiations towards an endgame, but without success. Recent “stocktaking exercises” following the Seventh Ministerial Conference of the WTO held in Geneva, Switzerland, at the end of November 2009 have disappointed those hoping to build positive momentum.

During the Ministerial Conference, calls were made for concluding the Round with a strong pro-development impact, in particular with regard to issues of special interest to LDCs. All developing-country groups stated that anything short of a transparent, fair, equitable completion of the Doha Round would fail to eliminate the current imbalances in the multilateral trade system that have negative implications for poor countries. In the end, the goal set by the G-20 to conclude the negotiations in 2010 appears unrealizable, and no new deadline has been set. Differences persist on how to improve market access in agriculture and industrial goods, including by significantly reducing agricultural subsidies. In addition, developing-country requests to enhance special and differential treatment for their trade (such as permitting smaller tariff reductions) have remained unanswered.

G-20 leaders have underscored the need to move beyond the advocacy for trade and against protectionism by, inter alia, supporting negotiations with sufficient political will and ensuring coherence between international and national policy measures. But calls for redefining the level of ambition of the Round bring into question the level of political commitment to a development-oriented outcome.

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There is a strong sense among some developing countries that the development dimension of negotiations has been put on the back burner. Likewise, some developing countries argue that their contributions to the multilateral tariff reductions would be greater than those of developed countries in any of the previous negotiating Rounds. Against this background, there is fear that a rush to conclude the Round in the near future might undermine the legitimate interests of developing countries. The aim should be to achieve significant and balanced progress in all areas of negotiation, particularly those important to development. On the other hand, further delay in concluding the Doha Round would signify further delay in reducing global farm subsidies; rebalancing WTO rules in a number of areas; and taking other steps that could open additional policy space for developing countries.

Aid for Trade (AfT)

AfT resources committed to assist low-income countries have increased significantly in 2008; however the allocation across regions and countries is still very uneven. In 2008, the largest share of AfT (40 per cent) was committed to lower middle income countries, while LDCs received just 25 per cent of total AfT commitments. The top 10 AfT recipients included just three LDCs. Although resources committed for AfT cannot be precisely measured through existing aid statistics, the OECD Creditor Reporting System (CRS) provides proxies for aid for trade interventions. The OECD is continually examining how this system may be improved to better track trade related interventions and the delivery of support to developing countries, in particular the LDCs. In terms of **delivery**, it should be noted that unlike the Integrated Framework for Trade- Related Technical Assistance (IF), for which a global fund was established, the AfT initiative has no specific funding structure at the global level and following the principles of the Paris Declaration on Aid Effectiveness is instead based on existing mechanisms. A **monitoring** mechanism was created based on the CRS and self-assessment of donors and partner countries to review progress regularly and assess where improvements are required in the financing and delivering of aid for trade. AfT regional reviews took place during the first two quarters of 2009 and the second AfT Global Review session took place in Geneva on 6-7 July 2009. A third AfT Global Review is being planned for mid-2011.