

Key Points

SDG 1: No Poverty

- International trade has contributed to cross-country income and productivity convergence, and growth in trade has coincided with a significant decrease in poverty worldwide, indicating the impact of trade on supporting economic development and improving people's lives (WTO, 2024a).
- However, geopolitical fragmentation is likely to reduce trade efficiency and negatively affect many economies, particularly developing economies and least-developed countries (LDCs), including by decreasing knowledge diffusion and access to certain technologies.
- The WTO and other organizations can help to make international cooperation more inclusive through multilateral coordination of trade rules, opening trade in services and e-commerce, opening up agricultural trade, and supporting LDCs to build capacity for integration into international trade. Domestic policies can also play an important role.
- Fragmentation can negatively impact poverty and inequality by disrupting international trade, investment patterns and migration flows. This can lead to lower economic growth, limited access to global markets, and disruptions in global supply chains, which can erode gains in living standards. Workers in export-dependent sectors and low-income households are particularly vulnerable to these effects.
- More multilateral cooperation is needed to ensure that the benefits of trade are shared more broadly within economies. This may be achieved by lowering tariffs and other trade costs, further opening trade in agriculture and services, and making digital trade more inclusive. WTO rules and flexibilities can also play a crucial role in poverty reduction by enhancing good governance and the predictability of market access conditions.

SDG 2: Zero Hunger

- Progress towards SDG 2, which aims to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture, has faced setbacks in recent years. Around 9 per cent of the global population experienced undernourishment in 2022, according to the Food and Agriculture Organization (FAO). It is anticipated that conflicts and the COVID-19 pandemic will have left nearly 600 million people hungry by 2030, highlighting the need for urgent action to address food insecurity.
- Agricultural trade, which has increased five-fold since 2000 (WTO, 2024b), has played a vital role in absorbing shocks and enhancing global resilience. The WTO

serves as a platform for members to negotiate reforms in agricultural trade. In 2015, WTO members agreed to eliminate agricultural export subsidies, thereby contributing to SDG target 2b.

- Through regular committee work and collaboration with other international agencies, the WTO actively monitors export restrictions, supports capacity-building, and plays a crucial role in addressing trade-related issues for improved food security. This work led to the adoption on 17 April 2024 of a report containing recommendations to help LDCs and net food-importing developing countries (NFIDCs) respond to acute food insecurity.
- To advance SDG 2, it is crucial that WTO negotiations on agriculture are revitalized and that political leaders deliver clear guidance to ensure that immediate outcomes in trade policies are delivered and benefit the most vulnerable.

SDG 13: Climate Action

- Trade has a complex relationship with environmental sustainability, as while production and transportation can contribute to increased emissions and pollution, trade can also facilitate the spread of green technologies and encourage sustainable practices.
- Coordinated trade-related policies are crucial to address environmental challenges. Conversely, policy fragmentation can hinder the green transition, leading to less effective measures and potential trade frictions. International cooperation and integration – re-globalization – can offer avenues for environmental protection and sustainable growth.
- The WTO publication Trade Policy Tools for Climate Action, launched at COP28 in 2023, identifies 10 key policy tools that can be harnessed to accelerate progress towards climate goals under the Paris Agreement, which was adopted at COP21 in 2015.
- Government procurement, representing 13 per cent of world GDP, can help to address climate change by promoting greener goods and services and more eco-friendly suppliers, and by fostering green innovation.
- The green transition could offer historically marginalized economies certain development opportunities, particularly in renewable energy trade and raw materials critical for clean energy production. The WTO plays a vital role in supporting environmental sustainability, for example by fostering the mutual supportiveness of trade and environmental policies.

SDG 16: Peace, Justice and Strong Institutions

- Trade can be disrupted by conflict, but it can also promote peace by creating economic interdependence among economies. The WTO was founded on the belief that open trade can help to promote peace.
- The WTO accession process helps economies seeking WTO membership to improve their governance through legal reforms, greater transparency and inter-ministerial coordination. Technical assistance provided during the accession process strengthens institutions and increases private-sector participation in decision-making, contributing to SDG 16 goals.
- The WTO Trade for Peace Programme explores how trade can contribute to peacebuilding for fragile and conflict-affected states through political engagement, public dialogue, research and capacity-building.
- The WTO's trade policy reviews promote policy coherence, both internationally and domestically, and can help build stronger institutions by enhancing information and increasing the effective participation of relevant stakeholders.

SDG 17: Partnerships for the Goals

- The Abu Dhabi Ministerial Declaration, adopted at the 13th WTO Ministerial Conference (MC13) in March 2024, reiterates WTO members' commitment to a rules-based, equitable multilateral trading system that can promote economic growth, aligning with SDG 17.
- The results from MC13 also recognize the potential of trade to contribute to broader sustainable development goals.