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TTIPing Away the Ladder:

How the EU-US trade deal could undermine the Sustainable Development Goals

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Sustainable Development Goals and Targets

Acronyms

ACP
African Caribbean and Pacific Group of States (group of 79 countries)

BIT
Bilateral Investment Treaty

CETA
Comprehensive Economic and Trade Agreement (EU-Canada trade deal)

DFID
Department For International Development (UK)

EBA
Everything But Arms (EU trade preferences offered to LDCs)

EC
European Commission

EPA
Economic Partnership Agreement (trade deal between the EU and ACP countries)

EU
European Union

FDI
Foreign Direct Investment

FTA
Free Trade Agreement

G77
A group of 77 developing countries pursuing common goals at the United Nations

GMO
Genetically Modified Organism

GPA
Government Procurement Agreement (under the WTO)

IMF
International Monetary Fund

ILO
International Labour Organisation

IPCC
Intergovernmental Panel on Climate Change

IPR
Intellectual Property Right

ISDS
Investor to State Dispute Settlement

LDC
Least Developed Country

LIC
Low Income Country

MDG
Millennium Development Goal

NAFTA
North American Free Trade Agreement

OECD
Organisation for Economic Cooperation and Development (34 advanced and emerging countries)

PCD
Policy Coherence for Development

SOE
State Owned Enterprise

SDG
Sustainable Development Goal

TFA
Trade Facilitation Agreement

TISA
Trade In Services Agreement (between 25 countries, including the EU)

TPP
Trans Pacific Partnership (trade agreement between the US and eight other countries)

TRIMS
(The agreement on) Trade Related Investment Measures (under the WTO)

TRIPS
(The agreement on) Trade Related Aspects of Intellectual Property Rights (under the WTO)

TTIP
Transatlantic Trade and Investment Partnership (EU-US trade deal)

UNCTAD
United Nations Conference on Trade and Development

WHO
World Health Organisation

WTO
World Trade Organisation

Executive Summary[1]

The sustainable development goals (SDGs) replace the millennium development goals (MDGs) as of September 2015. As with the MDGs, the SDGs commit world governments to achieving poverty reduction targets (over the next 30 years and beyond) including for example to "end poverty in all its forms everywhere" (goal 1). A number of these goals are directly relevant to the trade policies of developed countries. For example, goal 17 commits governments to "strengthen the means of implementation and revitalize the global partnership for sustainable development" – if properly designed, trade can help to build the 'means of implementation', for example by generating growth, but since trade rules are agreed internationally, it requires a 'global partnership' to ensure that this happens. Goal 17 explicitly recognises the role that developed countries have in achieving the SDGs: target 17.14 underlines the need for "policy coherence for development", such that countries should design their trade (and other) policies to be compatible with the SDGs. Trade also receives a separate set of targets under goal 17 and is referred to under several other SDGs.

In light of the above commitments, and given that it is the biggest trade deal ever negotiated, the Transatlantic Trade and Investment Partnership (TTIP) clearly needs to be assessed for its compatibility with the SDGs. The size of the deal alone – covering 40 per cent of global trade – means that there will inevitably be implications for developing countries. Furthermore the EU and US have also specifically stated that they wish to 'multilateralise' the deal, making TTIP the blueprint for future international trade agreements. Dan Mullaney, the US Chief Negotiator on TTIP, told an audience in New York: "[we] have an opportunity in this negotiation to send a message to the rest of the world… We can ensure that the United States and the EU continue to provide the preeminent economic model for the global community." This has serious implications for the ability of developing countries to achieve their goals in trade negotiations.

Global trade policy and efforts to tackle poverty are inextricably linked. However, negotiations – both at the World Trade Organisation (WTO) and in the bilateral context – have been characterised by repeated failure to prioritise the needs of developing countries. The conclusion of the Uruguay round of negotiations in 1994, which led to the creation of the WTO, was widely criticised for failing to tackle developing country priorities such as trade in agricultural products. Fast-forward to the present day and the WTO continues to give precedence to rich countries' priorities. Repeated commitments to a Doha 'round for development', made by both the EU and US since 2001, have not been matched by action at the WTO. For example, the 2013 Trade Facilitation Agreement (TFA), which aims to make cross-border trade easier, has been heavily criticised for giving too many advantages to large multinational corporations at the expense of small producers and for threatening to worsen trade imbalances for developing countries because of the lack of parallel market access commitments.

Even more worrisome is that negotiations within the WTO are increasingly being used by the EU and US to shore up their position of global dominance against the growing influence of emerging markets like China and Brazil. Furthermore, the EU and US are often at the forefront of opposing proposals that would benefit developing countries. For example, at the 2013 ministerial conference, they fought a proposal for an agreement on public stockholding for food security. Whilst the agreement was passed, it was weakened to such an extent that some developing countries may struggle to make use of it. For these reasons, there are serious concerns that a consolidated position between the EU and US, agreed under TTIP, outside of the WTO and without the input of other countries, is likely to lead to the further marginalisation of developing country interests in the multilateral context.

As a deal that could set a strong global precedent, one of the biggest threats that TTIP poses to the SDGs is undermining target 17.5, which recognises the need to: "respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development". Trade agreements influence a number of policy areas, such as health, education and economic growth, that are key to the SDGs. In order to take action on these issues, countries will need to make decisions about the delivery of public services and their strategies for industrial development and public procurement. There is no one-size-fits-all approach and negative experiences with the privatisation of health, education and water, demonstrate that countries need a range of policy options. However both the EU and US aim to use TTIP to set in stone a particular, market-based approach to these sectors. Given their aim of multilateralising TTIP, this would severely limit the policy options available to other countries.

The threat to governments' policy space is made worse by the likely inclusion of an Investor-to-State Dispute Settlement (ISDS) mechanism. This offers investors the possibility of suing countries if they believe their investment has been negatively impacted by a policy decision. There is growing evidence that countries are avoiding policies, rather than face the expense of a costly legal case and potential award against them, which could run to millions of dollars. For example, in 2010, Germany agreed to lower environmental requirements of a coal power plant rather than defend a claim by Vattenfall. In this context, developing countries such as South Africa, India and Ecuador are seeking to review or terminate their investment agreements. But TTIP could undermine these moves by setting a powerful global precedent for the inclusion of ISDS in trade agreements.

As well as creating a global blueprint that will limit developing countries' policy space, there are worrying indications that TTIP will directly undermine some SDGs. For example, target 17.11 commits governments to "increase significantly the exports of developing countries, in particular with a view to doubling the Least Developed Countries' (LDC) share of global exports by 2020". Whilst there is currently no consensus regarding the likely impacts of TTIP on developing countries' trade, there are worrying indications that they could experience significant trade diversion and preference erosion, with countries like Niger and Malawi seeing drops in exports to the US of between 3 and 12 per cent.

TTIP is also likely to directly undermine SDG 13, which commits countries to "take urgent action to combat climate change and its impacts", widely accepted to be fundamental to tackling poverty. The European Commission (EC) has attempted to give reassurances that TTIP will support the EU's climate targets, yet its own impact assessment states that its preferred outcome from the negotiations will add an additional 11 million metric tons per year of CO_2 to the atmosphere. The Intergovernmental Panel on Climate Change (IPCC) argues that fossil fuel use is the leading contributor to global increases in CO_2 concentrations. Yet a clear priority for the TTIP negotiations is to increase transatlantic trade in fossil fuels, with President Obama commenting that "TTIP would make it even easier to get licences to export gas to the [European] continent".[3] To make matters worse, if these licences are subsequently revoked, for example by EU governments elected with a clear mandate to support the transition from fossil fuels to renewable energy, TTIP's ISDS provisions may allow US investors to sue EU governments for loss of profits.

Finally, TTIP threatens to undermine goal 3, which commits governments to "ensure healthy lives and promote wellbeing for all at all ages". One of the biggest difficulties for developing countries in dealing with major health issues like the prevalence of HIV and TB is the lack of availability of affordable medicines. Trade rules, in particular the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), already play an important role in driving an approach to the development and distribution of medicines that relies heavily on market principles. This has led, for example, to spiralling costs for medicines: a course of treatment for some forms of TB can cost up to US$250,000. The EC argues that it has "consistently led efforts to facilitate access to medicines in developing countries". Yet one of its key objectives is to strengthen the very intellectual property protections that allow companies to maintain monopolies over particular drugs, keep prices high and undermine the cheaper generic drug production that is key to many developing countries' public health objectives. It is seeking to use TTIP to develop a global blueprint that would see trade rules go beyond the WTO's TRIPs agreement by tightening up intellectual property rules, for example to limit the disclosure of clinical trial data and to oblige health authorities to price patented pharmaceutical products at their market value.

This report reveals the huge inconsistencies between commitments under the SDGs and the current proposals for TTIP. Intended as the blueprint for multilateral trade, it undermines the global partnership for sustainable development and directly challenges the ability of individual countries to develop their own strategies for poverty reduction and sustainable development. Instead, it sets a powerful precedent that promotes privatisation and liberalisation as the de facto policy option and seeks to 'discipline' state involvement in key sectors such as public service delivery and industrial strategy. Furthermore, as currently envisaged, it threatens to directly undermine targets on health and climate change as well as hindering developing countries' ability to trade.

If the EU is genuinely committed to making trade work for developing countries, it must:

- Halt negotiations on TTIP
- Focus on achieving a multilateral deal that genuinely gives priority to sustainable development goals
- Work with the US to address the EU and US's damaging trade policies, in particular to bring agricultural subsidies in line with WTO commitments; to reduce the often high tariffs on products coming from developing countries and to simplify rules of origin
- Deliver on its commitments under the Sustainable Development Goals

[1] All references to this section can be found in the main text

Introduction

The sustainable development goals (SDGs), negotiated at the United Nations, replaced the millennium development goals (MDGs) as of September 2015. They commit governments globally to achieving a number of poverty reduction goals to be implemented over the next 30 years and beyond. The 17 goals and 169 targets cover a broad range of issues including food security, health, education, access to water and energy supply (see annex). They contain three key elements that are relevant to trade policy. The first is to "policy coherence for development" (goal 17.14) – which means that countries should design their trade (and other) policies to be coherent with the full range of SDGs. The EU has had such a commitment since 2005, embedded in the European Consensus on Development.[2] The second, goal 17.5, recognises the need to "respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development". This means that trade deals should not limit countries' policy space for achieving the SDGs. Finally, trade is referred to in a separate set of targets under goal 17 – "strengthen the means of implementation and revitalize the global partnership for sustainable development" – and across a number of other goals.

Trade agreements have implications for the SDGs because of the potential that trade has to support goals such as sustainable growth and job creation, and because the scope of trade agreements is continually expanding. There is therefore increasing overlap between the sectors that are governed by trade deals, and those that are covered by the SDGs, including health, education, water and energy provision.

The Transatlantic Trade and Investment Partnership (TTIP) is arguably the most significant of the many agreements currently under negotiation. Negotiations on TTIP were launched in June 2013, aimed primarily at achieving ambitious lowering of so-called 'barriers to trade': as trade tariffs are relatively low between the EU and US, this refers primarily to regulations. The deal was supposed to be concluded by the end of 2014 but at the time of writing, negotiations are still ongoing. The EU and US together account for 40 per cent of global trade; if agreed, TTIP will be the biggest trade agreement ever signed. The EU and US have also specifically stated that they wish to 'multilateralise' the deal, making TTIP the blueprint for future international agreements. Yet neither the EU nor the US have plans to formally assess the implications of TTIP for developing countries. The EU's Sustainability Impact Assessment, for example, will not cover this issue. Furthermore, officials close to the negotiations report that negotiators have explicitly ruled out the presence of developing country representatives as observers.

The report makes a contribution to the debate about how TTIP relates to development objectives, focusing on the SDGs. It considers the implications of TTIP for the SDGs from three perspectives. First, it examines the implications of TTIP as a blueprint for multilateral trade, in particular outlining the divergence between the priorities of the EU and US, and those of developing countries at the World Trade Organisation (WTO). Second, it looks at TTIP's likely implications for developing countries' policy space. It considers the powerful precedent that will be set by TTIP in respect of three important areas of policy making that will underpin efforts to achieve the SDGs: the provision of public services, industrial strategy and public procurement. Finally, it outlines the direct impact that TTIP is likely to have on three key SDGs: strengthening developing countries' capacity for trade (target 17.11), tackling climate change (goal 13) and achieving significantly improved health outcomes (target 3.b).

[2] European Commission *Policy Coherence for Development* https://ec.europa.eu/europeaid/policies/policy-coherence-development_en accessed 03/09/15

Chapter 1 Weakening implementation, ignoring the global partnership

Whilst the SDGs focus on poverty reduction and as such achieving change in developing countries, they equally clearly emphasize the role that developed countries must play in delivering the SDGs. A number of goals refer for example to the need to 'strengthen the means of implementation', 'revitalise the global partnership for sustainable development' and ensure 'policy coherence for development'. International trade policy is recognized as a key area in which a partnership approach, focused on achieving development goals, will be required. Yet TTIP poses a challenge to all of these aims, first and foremost because the EU and US are promoting it as a blueprint for future international deals, yet have excluded all other countries from the negotiations. This is the antithesis of a 'partnership approach' and further marginalizes developing countries within the global trade system. Given the divergences between the priorities of the EU and US and those of developing countries, it could seriously undermine efforts to conclude a trade 'round for development' or to ensure 'policy coherence for development'.

SDG Goal 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development

SDG target 17.14

Enhance policy coherence for sustainable development

SDG target 10.6

Ensure enhanced representation and voice of developing countries in decision making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions

SDG target 17.10

Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda

SDG target 10.a

Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with WTO agreements

Reflecting the outcomes of the Rio+20 UN conference on sustainable development, which took place in 2012, the Open Working Group proposals on the SDGs stress the need to "strengthen international cooperation" to achieve development goals and, for example, for "common but differentiated responsibilities" to achieve climate change targets.[3] The resulting SDGs (above) clearly reflect these priorities and are directed at ensuring that developed countries take their share of responsibility for achieving them. Given their cross-cutting nature, they also underpin all of the other SDGs.

TTIP is at odds with these commitments in a number of ways. The root of this contradiction is the fact that the EU and US are seeking to multilateralise the deal, setting the standard for future trade rules.[4] For example, the Commission states that TTIP aims to promote "global convergence toward EU-US standards, which could then become de facto global standards" and that "the large economic size of the EU and the US means that partner countries will themselves have an incentive to move towards any new transatlantic standards that TTIP creates."[5 6] For the US, the global aims of TTIP have been equally clearly stated. In April 2015 Dan Mullaney, the US Chief Negotiator on TTIP, told an audience in New York: "[we] have an opportunity in this negotiation to send a message to the rest of the world… We can ensure that the United States and the EU continue to provide the preeminent economic model for the global community".[7] Despite this, developing (and all other) countries have thus far been excluded from the negotiations, removing any possibility that they could shape this future blueprint for international trade. It is difficult to see how this is compatible with the aim of ensuring "enhanced representation and voice of developing countries in decision making in global international economic and financial institutions" (target 10.6, above).

Viewed as a deal that will set a powerful precedent for global trade, some of the proposed provisions for TTIP are of significant concern. Perhaps most significant is the likely inclusion of an Investor-to-State Dispute Settlement (ISDS) mechanism. As with the rest of the negotiations, the final text of the ISDS provision is not yet available; however documents such as the text of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada, EU proposals for TTIP and experience of investment arbitration under Bilateral Investment Treaties (BITS) give a good indication of the form it is likely to take and the risks involved. ISDS offers companies exclusive rights to sue governments in private arbitration tribunals, outside of national courts, if they consider a policy to negatively impact on their investment. One of the major risks of this system is that countries are deterred from taking policy decisions in pursuit of their development aims because they fear it would result in expensive legal fees to defend the case and awards potentially of millions if not billions of dollars. There are already cases of countries reversing policy decisions in such circumstances, for example in 2010 Germany agreed to lower environmental requirements of a coal power plant rather than defend a claim by Vattenfall as well as significant awards such as $2 billion dollars in a case brought by Occidental Petroleum Corporation against Ecuador.[8] In light of this, developing countries such as South Africa, India and Ecuador are seeking to review or terminate their investment agreements. TTIP goes against this trend and would set a strong global precedent for the inclusion of investment chapters and ISDS in global trade deals.

TTIP is clearly at odds with the commitment to policy coherence for development (PCD) (target 17.14). This target is particularly relevant to the EU because it has had a formal commitment to PCD since 2005, which means that "the EU seeks to take account of development objectives in all of its policies that are likely to affect developing countries".[9] Indeed the EU has produced a 'Trade and Sustainable Development' paper as part of the TTIP negotiations which outlines its proposals for a chapter on the issue. The EC has also commissioned a Trade and Sustainability Assessment of TTIP.[10] Despite the EU's commitments, neither of these papers makes any reference to the impact on developing countries. The former refers to just two areas: labour rights, where its ambitions are limited to suggesting that "the starting point for discussions should be the Parties' existing commitments in relevant areas, including the International Labour Organisation (ILO) 1998 Declaration on Fundamental Rights and Principles at Work" and the environment, where it does little more than recommend the promotion of trade and investment in environmental goods and services, and the use of voluntary environmental sustainability schemes.[11]

A clear manifestation of PCD should be the completion of the Doha round of WTO trade negotiations, billed as a 'round for development'. However, to date, the multilateral trading system has put the priorities of rich countries ahead of those of poor countries. For example, the conclusion of the Uruguay round in 1994, leading to the formation of the WTO, failed to tackle developing county priorities such as distortions in trade in agricultural products, ignored the significant costs of implementation of some agreements and had only non-binding commitments for financial assistance and preferential access for Least Developed Countries (LDCs).

The outcomes of the WTO's ninth ministerial conference, held in 2013, demonstrate the extent to which the priorities of the EU and US can diverge from those of developing countries. The most contentious outcome of the ministerial was the Trade Facilitation Agreement (TFA), an issue that was a priority for the EU and US but not for developing countries. Perhaps the most significant criticisms of the TFA are that it is likely to aggravate trade imbalances for developing countries due to the absence of parallel market access commitments and that it offers significant benefits to large multilateral corporations (most of which are not based in developing countries). A second important agreement was on public stockholding for food security – a limited 'win' for developing countries which allows them to hold stocks of food to deal with shocks such as shortages or price volatility. The EU and US were strongly opposed to the agreement and succeeded in severely restricting its scope, for example by imposing onerous implementation requirements so that it will be of limited benefit to many developing countries. Perhaps most significantly, the TFA is binding and permanent, whilst the agreement on public stockholding is only temporary.[12] [13]

This experience suggests that a consolidated position between the EU and US, developed in the TTIP negotiations, outside of the WTO and in the absence of the input from other countries, is likely to lead to the further marginalisation of developing country interests. The German Development Institute notes that "TTIP could mark an important turning point in the world trade system" which "threatens to further undermine multilateral negotiations within the World Trade Organisation", and that developing countries will be affected by TTIP rules "whether they like it or not".[14] Philip Levy of the Chicago Council on Global Affairs notes that TTIP "poses a threat to the global trading system and diminishes the voice that developing countries are likely to have in setting new standards in trade".[15] If the EU and US succeed in establishing joint principles through TTIP, it is highly unlikely that they would be open to renegotiation with third countries.[16] This is compounded by the fact that TTIP is one of a number of 'mega' trade deals being negotiated to which the EU and US are party, including the Trans-Pacific Partnership Agreement (TPP) and the Trade in Services Agreement (TISA).[17] [18]

Even in the absence of a formal multilateral agreement, if the EU and US agree on far-reaching liberalisation of trade, services, investment and procurement it will be extremely difficult for developing countries to resist being required to implement them. Pressure to align is most likely to be exerted during their negotiations on bilateral agreements with the EU and US. For example, Economic Partnership Agreements (EPAs – trade deals between the EU and 79 African, Caribbean and Pacific (ACP) developing countries) include so-called 'rendezvous' clauses that provide for additional negotiations, at an as-yet unspecified future date, on issues which have been controversial amongst the ACP, such as investment and procurement. If TTIP is agreed, when those countries return to the EPA negotiating table they could be confronting a new international 'consensus' on those controversial issues, making it even more difficult for them to shape agreements to their needs.[19]

Hampering efforts at tax reform

Tax reform has an important role to play in ensuring that sufficient resources are available to be able to implement the SDGs. A significant amount of debate during the conference discussing how to finance the SDGs was devoted to a proposal to create a UN tax body with the power to change the global rules in the interest of developing countries.[20] While proponents didn't succeed in getting the proposal included in the final outcome document, there was support from the G77. This demonstrates the high degree of consensus that, in order to fund the implementation of the SDGs, developing countries will need to increase tax revenues. A major priority, identified, among others, by the African Union's high level panel on illicit financial flows, is to change the rules to prevent corporate tax avoidance and eliminate harmful tax breaks granted to multinational companies.[21]

Most policy makers believe that TTIP will not affect their sovereign right to determine fiscal policy, other than trade taxes ('tariffs'), because of a 'carve-out' that is likely to be included; they believe the agreement will state unequivocally that it does not apply to tax matters. If the text includes a simple and conclusive statement to this effect, this sovereign right might well be protected. However, it is highly unlikely that such a statement would cover all tax measures. As outlined above, negotiators envisage including an investment chapter in TTIP, with an ISDS provision. In most investment treaties, the tax carve-out leaves some changes to tax rules within the purview of the treaty. This means that, in some situations, investors would be able to sue governments for changing their tax rules.

The most likely situation is that TTIP will allow governments to make general changes to tax rules, but will prevent them making changes in tax arrangements applying only to specific companies, particularly when those arrangements are regarded as the 'legitimate expectations' of companies, or where they are provided for in contracts between the company and the government. While it is still relatively rare for investors to sue governments in response to changes to tax rules, some investors have successfully done so, for example in cases against Argentina and Burundi.[22] Other investors have threatened to sue and then settled, presumably for a substantial financial compensation, although the amount is rarely made public.[23]

We don't have the text of TTIP, but assuming that it will be similar to the text of CETA (draft Article X 06), a deal negotiated but not yet ratified between the EU and Canada, and the text of the tax carve-out in the US model investment treaty (Article 21), it is likely that action by governments to eliminate harmful company-specific tax incentives or 'sweetheart deals' could expose them to expensive arbitration claims. Whether or not these are successful, they will be extremely expensive to defend. This may have the effect of deterring governments from implementing the tax reforms that will be needed to fund the implementation of the SDGs in the long-term.

The impacts of this are particularly significant for developing countries. ActionAid estimates that tax breaks cost developing countries US$138 billion a year. Removing them would therefore go a long way to providing long-term sustainable funding for implementation of the SDGs.[24] Many tax breaks are secretive and granted in the hope of securing positive outcomes such as job creation but without a cost-benefit analysis of whether they are really worth the lost revenue. Eager to attract foreign direct investment (FDI), many developing countries do deals with multinational companies to grant them specific tax treatment beyond the (often generous) tax exemptions provided for by law. These are often codified in investment contracts[25], sometimes in the form of 'fiscal stability clauses' which freeze the company's tax obligations to the time the contract is signed, regardless of subsequent changes to general tax law. This sets the multinational company in question apart from all other tax payers in the jurisdiction, giving them special treatment. If this special treatment is ever removed, for example by a new government elected with a mandate to make sure that domestic companies are not at a disadvantage compared to multinational companies, the latter would be able to sue the government in international arbitration for 'expropriation'. In effect, this means that the important work of removing harmful tax incentives is likely to be regarded by arbitrators as the government 'stealing' an investor's property.[26]

Tax reforms called for in developed countries, such as country-by-country reporting on companies' tax affairs, are likely to be outside the scope of TTIP, either because they are general reforms (which therefore could not be argued to discriminate against foreign investors), or because the company-specific tax breaks are not provided for in a written contract.[27] [28] However, if the text of TTIP is multilateralised, the fact that action to tackle harmful tax breaks is susceptible to arbitration will have a major impact on developing countries' ability to fund implementation of the SDGs.

Whose ladder is it anyway? A corporate driven agenda

The primary aim of TTIP is to increase access to markets for private companies in the US and EU by liberalising and harmonising trade, services, investment and procurement rules.[29] Indeed, there is compelling evidence that the TTIP negotiations are being driven largely by business lobby groups in Europe and the US.[30] Significant aspects of the lobbying position of the leading European business federation, Business Europe, are mirrored in the EC's position across a number of priority negotiating areas, and in particular in papers on services, public procurement, investment and intellectual property rights.[31] EU business clearly shares the vision of TTIP as a blueprint for global trade, arguing that "considering the importance of the EU and US economies, and if we maintain a high level of ambition and abstain from carve-outs, TTIP will potentially lead to the establishment of world-class rules and standards in a number of areas including product safety, environment, social, investment, public procurement, intellectual property, etc."[32] Finally, of the 597 lobby encounters that the EC's trade department – the directorate general, or 'DG', Trade – held to prepare for the TTIP negotiations up to February 2014, 597 (88 per cent) were with business lobbyists, while only 53 (nine per cent) were with public interest groups.[33]

"[The Commission's proposals] reflected so closely the approach of TheCityUK that a bystander would have thought it came straight out of our brochure on TTIP"

Richard Normington, Senior Manager of the Policy and Public Affairs team, TheCityUK [34]

The business lobby agenda is wide and includes greater 'harmonisation' between the EU and US in areas such as financial and environmental regulation and for business to "co-write legislation".[35] Recently released documents suggest that grain companies are hoping to use TTIP to ensure that the 'next generation' of genetically modified seeds does not fall under existing EU regulation on genetically modified organisms (GMOs).[36] The tobacco lobby also clearly considers there to be potential gains from TTIP, although the EC's refusal to disclose documents detailing lobby meetings means that it is difficult to know what the lobby is calling for.[37] Recent experience of the crash caused by a deregulated financial sector and the fact that market mechanisms are clearly not rising to the challenge of the climate crisis, illustrate that the corporate agenda is not necessarily aligned with broader social and environmental goals. A deal driven by this agenda therefore stands little chance of contributing to the achievement of the SDGs.

[3] United Nations *Open Working Group Proposal for Sustainable Development Goals* https://sustainabledevelopment.un.org/sdgsproposal accessed 03/09/15

[4] Perez-Rocha (2015) p.33

[5] Centre for Economic Policy Research (2013) p.3

[6] European Commission, September 2013, *Transatlantic Trade and Investment Partnership: The Economic Analysis Explained*, p.10 http://trade.ec.europa.eu/doclib/docs/2013/september/tradoc_151787.pdf#Explanatory accessed 03/09/15

[7] *Opening Remarks by U.S. and EU Chief Negotiators for the Transatlantic Trade and Investment Partnership (TTIP) Round Nine Press Conference* 24 April 2015 https://ustr.gov/about-us/policy-offices/press-office/speechestranscripts/2015/april/opening-remarks-us-and-eu-chief accessed 03/09/15

[8] See Vattenfall AB and others vs. Federal Republic of Germany, ICSID, ARB/09/6

[9] European Commission *Policy Coherence for Development* http://ec.europa.eu/europeaid/policies/policy-coherence-development_en accessed 03/09/15

[10] Ecorys *Trade SIA Transatlantic Trade and Investment Partnership* http://www.trade-sia.com/ttip/ accessed 03/09/15

[11] European Commission *Trade and Sustainable Development* http://trade.ec.europa.eu/doclib/docs/2013/july/tradoc_151626.pdf p.2 accessed 03/09/15

[12] Trade Justice Movement (2015)

[13] South Centre WTO's *MC #9: Summary of Issues* http://www.southcentre.int/wp-content/uploads/2013/12/AN_MC9_1_WTOs-MC9-Summary-of-Issues_EN.pdf accessed 27/08/15

[14] German Development Institute (2015) p.1

[15] Philip Levy (2013)

[16] Ibid p.15

[17] The Trans-Pacific Partnership Agreement (TPP) is a free trade agreement currently being negotiated by the United States, Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam. The Trade In Services Agreement (TISA) builds on the WTO's General Agreement on Trade in Services (GATS) and is being negotiated by 25 countries (this figure includes the EU as 'one country').

[18] Miguel Rodriguez Mendoza, 1 December 2014 *Mega-regionals and the Doha negotiations: Implications for developing countries* BRIDGES Africa, http://www.ictsd.org/bridges-news/bridges-africa/news/mega-regionals-and-the-doha-negotiations-implications-for & Peter Draper and Salim Ismail, 1 December 2014 *Sitting on the sidelines: How will mega-regionals affect African LDCs?* BRIDGES Africa, http://www.ictsd.org/bridges-news/bridges-africa/news/sitting-on-the-sidelines-how-will-mega-regionals-affect-african both accessed 03/09/15

[19] Perez-Rocha (2015) p.23

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Chapter 2
Threatening countries' policy space

SDG target 17.15

Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

The SDGs call for countries to maintain the freedom to choose appropriate policies to achieve poverty eradication and sustainable development. Among the most important policy areas for achieving the SDGs are public service provision, industrial policy and public procurement. Recent evidence from the liberalisation of a range of services, from transport to education and water, and from countries following different economic strategies, demonstrates that there is no 'one-size-fits-all' policy formula. Yet TTIP threatens to close down governments' policy options by promoting a market-based approach in all of these areas.

Restricting policy space for public services provision

SDG Goal 3

Ensure healthy lives and promote well-being for all at all ages

SDG Goal 4

Ensure inclusive and equitable quality education and promote life-long learning opportunities for all

SDG target 4.1

By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

The SDGs prioritise the achievement of better outcomes in health and education, with the latter being provided 'free' for all children. Despite EC reassurances that public services are off the agenda, there is a clear danger that TTIP will set new global benchmarks for the privatisation of services that developing countries may find difficult to resist. This danger is reinforced by the fact that some EU aid donors, notably DFID, are increasingly promoting private health and education in developing countries.

The term 'services' is used to refer to sectors such as banking, insurance, accountancy and telecommunications which tend to be supplied by private sector companies, and also to water, gas, electricity, health and education, which are often publicly funded and delivered. Given the overlap between public service provision and the SDG goals, increasing investment and improving delivery in public services is clearly vital to addressing many of the world's most pressing challenges.

Key amongst these challenges is tackling insufficient provision and poor quality in education and health. Investment in education is needed to reach the 58 million children aged 6-11 who remain out of school altogether and to improve the overall quality of schooling.[38] The biggest gains in education in recent years have occurred when governments have eliminated school fees; this has led to tens of millions of children enrolling in school for the first time.[39] There is heated debate about whether private provision of education leads to improved learning outcomes or to increased enrolment.[40] However the evidence is growing that privatisation and the use of public-private partnerships can lead to increases in the cost of education and reduced provision for the poorest, who are unable to pay for the fees and school equipment required to access private sector provision.[41] Examples of privatisation leading to increased inequality of access and outcome come from countries as diverse as Canada, Chile, Morocco and the Republic of Korea.[42] Following a review of the role of privatisation in education, the UN Special Rapporteur on Education, Kishore Singh, recently raised strong concerns that it was undermining basic principles of social justice, equity and the right to education.[43]

In health services, international donors have recently pushed strongly for increasing private provision. For example, the UK Department for International Development (DFID) and the World Bank are supporting a number of projects and organisations promoting private health services and delivery based on the view that "private providers can be much more sensitive to demand and sometimes offer better value for money than public providers", and that there is "an increasingly pressing need" for developing country governments to contract the private provision of services.[44] Yet private health delivery has clear failings: it can weaken social solidarity and the willingness of wealthier people to contribute to the cost of health care for all and fragment and duplicate service development and delivery. It also has a poor record in implementing the principles of primary health care (including universal access and equity) and working with communities to address the social determinants of health.[45]

Water services provide a further example of significant failures in private provision that have reduced access to water for the poor.[46] In South Africa, water privatisation resulted in one of the worst cholera epidemics in the poor neighbourhoods of Johannesburg in 2000-2002. The outbreak started when slum residents were disconnected from the private water supply because they could not pay their increased bills, forcing them to drink water from contaminated rivers and leading to at least 100 deaths and over 100,000 cholera cases.[47] Another well-known example is that of Tanzania which in 2003 was forced by the World Bank and the International Monetary Fund (IMF) to privatise its inefficient public water supply network in exchange for loans. The network was taken over by a joint Dutch-British company called Biwater Gauff; under their management, water bills tripled and the poorest were disconnected, leaving millions of people without water. Tanzania finally renationalised the water network and expelled the company from the country.[48] No less than 180 cities in 35 countries have recently reversed privatisation and taken back water provision into public control.[49] The Transnational Institute, following an extensive analysis of water privatisation, notes that "direct experience with common problems of private water management – from lack of infrastructure investments, to tariff hikes to environmental hazards – has persuaded communities and policymakers that the public sector is better placed to provide quality services to citizens and promote the human right to water".[50]

These examples clearly demonstrate that countries must retain options other than privatisation for the delivery of their public services. The EC states that TTIP will neither close down these policy options nor oblige EU member states to open public services up to competition to private providers. This should mean that governments will be able to favour European firms over foreign ones, prevent foreign firms from providing, or investing in, these services and reverse at a later date any decision to allow foreign firms to provide, or invest in, a particular service.[51] Gabriel Siles-Brügge, of the University of Manchester, suggests that "an examination of the available evidence – including the EC's leaked TTIP draft market access offer – does not suggest that TTIP, as it is currently envisaged, would legitimate wholescale [*sic*] privatisation or marketisation of public services".[52]

However there are a number of problems with the EC's assertions. Provisions such as a 'ratchet clause' (whereby countries are bound by the agreement to increase their liberalisation commitments), a 'negative list' approach (according to which a service is deemed to be included in the deal unless a country specifically lists it as excluded) and the ISDS mechanism (discussed elsewhere in this report) all severely restrict governments' policy space in respect of services. Yet all of them are proposed for TTIP. Furthermore, the EC's definition of services to be excluded from the negotiations only covers those supplied "in the exercise of government authority" and not those that are supplied on a commercial basis.[53] This narrow definition means that a significant proportion of services across the EU would in fact be included in the deal. This is perhaps unsurprising, given that the liberalisation of services (globally) is a major 'offensive interest' for both the EU and US and that the sector contributes more than three-quarters of GDP in both blocs.[54] As Siles-Brugge concludes "the protections mentioned by the Commission… are not as water-tight as they are presented".[55]

Closing the door on industrial policy options

SDG Goal 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG goal 9 consists of eight targets for promoting sustainable industrialisation, which is a key need for developing countries. Yet under TTIP, the EU and US are opposing many industrial policies that developing countries will likely need to achieve the SDGs.

Being able to choose the right policy mix for industrial development is crucial to enabling governments to achieve their development goals. For example, a considerable body of evidence from countries like Japan and South Korea shows that their economic successes have been largely due to proactive policies enacted by the state.[56] These policies include providing strategic guidance to industry, targeting specific sectors for support, time-bound subsidies and trade protection, differentiated tax incentives, export promotion, research and development funds, and information services.[57] Foreign investment can promote industrial development by attracting finance, technology and knowledge transfer. However if foreign investment is not properly regulated, it can lead to balance of payments problems, undermine local industries, displace local jobs and have negative environmental impacts.[58]

There are a number of measures that governments can take to ensure that foreign investment benefits national economies and local people. This can include promoting 'performance requirements' whereby foreign (and domestic) companies are required by legislation to procure a certain amount of their goods locally, employ a certain percentage of their staff locally or allocate a certain percentage of their shareholdings to nationals or the state. It can also include favouring the development of national companies over foreign companies by, for example, discriminating in favour of them through taxes or subsidies (some, but not all, of these policies are already limited by the WTO agreements). A further step can be for governments to secure large or controlling interests in state-owned enterprises (SOEs), which can operate on either a monopoly or commercial basis.[59]

Yet the TTIP negotiations offer new threats to the ability of states to use such policies. In particular, TTIP negotiators are seeking to place stringent limits on the use of local content requirements and SOEs, setting a global standard with significant implications for developing countries.

TTIP's opposition to local content policies

There are clear economic reasons for the use of local content requirements. One is to develop or strengthen the domestic industrial base, often to promote 'infant industries' that can in the long-term become internationally competitive. Another is to promote more value-added activities, especially in countries or sectors where investment activities have traditionally focused on enclaves – sectors which only marginally benefit the wider economy, such as mining or oil.[60] Countries also use local content policies to 'leap-frog' existing barriers to technology transfer to be able to adopt and adapt technologies and production processes innovated elsewhere.[61] Local content policies are proving to be particularly important for those countries in Africa which have recently discovered large oil and gas deposits, and which are choosing to put in place such policies to increase the gains from foreign investments (see box).

WTO rules already impose a limited number of restrictions on governments' use of local content policies. Its Agreement on Trade-Related Investment Measures (the TRIMs Agreement) bans the use of a set of narrowly-defined local content requirements such that countries are not permitted to require the purchase or use by an enterprise of products of domestic origin or from any domestic source; this ban applies to trade in goods but not to trade in services. A waiver secured by LDCs means that they can maintain their existing policies until 2020. Other developing countries cannot legislate for, or *require*, companies to purchase materials from domestic sources, but they can *encourage* companies to do this. All countries can also *require* companies to buy in domestic services and hire local labour since these are not prohibited by the TRIMS agreement.[62]

Local content in African oil

Following discoveries of significant oil and gas deposits, African countries are developing policies to ensure maximum benefits for their own economies; Ghana and Kenya are two key examples. Ghana enacted a new local content law in February 2014 which aims to maximise value-addition and job creation through the use of local expertise, local goods and services, local businesses and local financing in the oil industry. The government has set an ambitious target of achieving at least 90 per cent local participation in the oil sector by 2020. The new law requires Ghanaian companies to be given first preference in bids for petroleum licences and every oil contract awarded to an international investor has to include a minimum 5 per cent equity stake for local companies.[63] Foreign companies that intend to provide goods and services to oil companies in Ghana must constitute joint ventures with a Ghanaian stake of at least 10 per cent.[64]

In Kenya, a new draft local content policy aims to overhaul existing legislation such that oil companies will be required to procure 60 to 90 per cent of their goods and services locally and to allocate 70 to 80 per cent of management and technical positions to Kenyan nationals within 10 years. Under the policy, companies would need to give 'first consideration' to Kenyan services, goods and labour in their operations and all operations would have to include at least a five per cent equity participation by a Kenyan company. Companies would also have to submit an employment and training plan showing how they intend to provide job opportunities for the Kenyan workforce for each phase of the upstream petroleum operations and a quarterly report on employment and training activities.[65]

However the Council for the European Union is seeking to go much further than the WTO and expresses significant opposition to the use of local content policies in its guiding texts for the TTIP negotiations. In its directives for the negotiations, it states that "the Agreement shall ... include rules and disciplines to address barriers having a negative impact on [EU and US] public procurement markets, including local content or local production requirements... with a view to increasing market access."[66] It is particularly targeting local content requirements in the raw materials and energy sectors. The EC's position paper on raw materials and energy, produced ahead of the first round of TTIP negotiations in June 2013, laments the "widespread use of local content requirements" and recommends that "confirmation of prohibition of local content requirements for goods, services and investments could be introduced". Moreover, it is clearly seeking to apply such a ban globally. Its draft energy proposal of May 2014, which covers raw materials, asserts:

"…from a geopolitical point of view, a chapter on energy and raw materials in TTIP would send a strong signal on the determination of the EU and the U.S. to ensure that trade and investment in these important areas is covered by international trade rules responding to principles of good governance, transparency, pro-competitive regulation and free access to natural resources once decisions on their exploration have been taken. …In the future, an energy and raw materials chapter negotiated between the U.S. and the EU could serve as a platform for each party's negotiations with… relevant partners such as Mexico". [67]

Against state-owned enterprises

SOEs play a key role in many countries' economies: they account for an average of 5 per cent of the economy in OECD countries and 10 to 40 per cent in the largest emerging economies.[68] As with private sector companies, the record of SOEs in contributing to economic development is mixed but many countries have achieved economic success with a large SOE sector.[69] There are many examples of successful SOEs, including Singapore Airlines, Chile's copper company, CODELCO, the Bombay Transport Authority and Brazilian regional jet manufacturer EMBRAER.[70] An analysis for the OECD of the role of SOEs in India – where they play a major role in the economy – concludes: "SOEs have held commanding heights of the Indian economy by acting as growth engines, operating in infrastructure sectors, redressing the socio-economic inequities, generating productive employment, providing wherewithal for economic development and thereby achieving the twin objectives of socio-economic development of India".[71] Countries have various reasons for wanting to establish SOEs, including to support 'national champions' – where a sector or industry seen as vital to the national economy – or to fulfil a public interest purpose, such as managing public utilities.[72]

The ability to establish SOEs can be important for developing countries and should clearly remain a policy option. Yet TTIP seeks to remove this option by setting a new global standard. The EC's 2013 position paper on 'Anti-Trust & Mergers, Government Influence and Subsidies' under TTIP notes that "the EU is increasingly concerned about the discriminatory behaviour and the subsidization of state owned, controlled and influenced companies around the world" and that "the privileges that governments grant to companies can in some cases unjustifiably disadvantage EU and US companies". Therefore:

"The objective of the EU is to create an ambitious and comprehensive global standard to discipline state involvement and influence in private and public enterprises, building and expanding on the existing WTO rules. This could pave the way for other bilateral agreements to follow a similar approach and eventually contribute to a future multilateral engagement." [73]

The paper then identifies subsidies, such as direct grants or below-market interest rates on loans, to SOEs as a particular problem.

The US clearly shares many of the EU's concerns. The US Trade Representative has stated:

"We seek to establish appropriate, globally relevant disciplines on state trading enterprises, state-owned enterprises, and designated monopolies, such as disciplines that promote transparency and reduce trade distortions … Agreed SOEs rules in TTIP can also serve as a model to third country markets around the world." [74]

Maintaining the policy space to develop their own industrial strategy is recognised as being a crucial element of the SDGs. Whilst not every approach will be appropriate for all countries, TTIP threatens to close down a number of policy options that have been successfully deployed by a number of countries.

Blocking the use of public procurement for development

SDG target 12.7

Promote public procurement practices that are sustainable in accordance with national policies and priorities

The SDGs include a particular target to promote public procurement practices in line with national priorities. Yet reaching this target is likely to be adversely affected by TTIP which is pushing for the liberalisation of procurement.

Public procurement is spending by public authorities on goods, works or services, which can range from buying IT equipment for government offices or schools to providing water, gas and electricity and building a hospital or a road. Public procurement spending can play a key role in boosting national development if it is used to support the development of local industries. Currently, most governments around the world do not open up procurement spending to full tender. Many also use it to achieve poverty reduction goals. One widely-acclaimed example of this is Brazil's food procurement programme (see box).

Pro-development procurement

Launched in 2003, Brazil's *Programa de Aquisição de Alimentos (PAA)* is a government-sponsored food procurement programme. The programme is a response both to difficulties faced by small farmers and to the growing issue of food insecurity for poor communities. It provides a reliable market for eligible family farmers, who are offered a fair price for their produce based on the regional market average. This food is then distributed to schools, food banks, community kitchens and charitable associations. The policy requires minimal budget allocation and is being piloted in five African countries.[75]

Procurement programmes like the one outlined above are potentially under threat from TTIP.[76] Although the EC states that TTIP will not affect public authorities' ability to choose whether or not to outsource a public service, it is clearly aggressively pursuing the liberalisation of this sector. It says that it aims to use the TTIP negotiations to "agree on rules which will ensure that EU or US companies are not discriminated against when tendering for public contracts on each other's market".[77] Its ambition is to secure access for European business to public contracts in all US states and in all major public universities and hospitals throughout the US. The EC is seeking to outlaw 'Buy America' provisions designed to protect local economies and local jobs, and specifies that TTIP should abolish all local government contract preferences to small businesses and open up new market opportunities for European corporations instead. By such means, the EC hopes to prise open 60 per cent of the US government procurement market, which it estimates to be worth over US$650 billion a year.[78]

This approach reflects the EC's long-standing desire to secure global rules that allow its companies equal access to procurement contracts. It states that it wants to "access government procurement markets around the world on fair terms" and notes how massive this potential 'market' is for its companies, amounting to €1 trillion per year globally.[79] The EC's position paper on public procurement of June 2013 states that the TTIP negotiations "present an important opportunity for the EU and the US to develop together some useful 'GPA plus' elements "to deepen procurement liberalisation commitments".[80] It continues: "a model text agreed between the EU and the US, being the two largest trading partners in the world, could thus possibly set a higher standard that could inspire a future GPA revision".[81] This again reflects the position of the lobby group Business Europe on procurement which states: "TTIP should set a high standard for any future agreements and address areas such as non-discrimination, legal and contractual remedies and corruption".[82] If such procurement liberalisation becomes the international standard for trade agreements, developing country governments will be deprived of a key industrial policy tool.

However, to date, the EU has met with significant resistance to this agenda from both developing countries and the US. Developing countries have generally refused to negotiate procurement: the current Agreement on Government Procurement (GPA) in the WTO involves only 17 parties, none of whom are developing countries.[83] Whilst the US is a party to the GPA, there are longstanding disagreements between the EU and the US on this issue. For example, the EU is not satisfied with the level of opening offered by the US under the GPA, particularly as regards state-level procurement and domestic purchasing requirements.[84] Nevertheless, the EC has begun to make some inroads: provisions covering public procurement have already been included in the EU's recent trade agreements with Mexico, Chile, Colombia, Peru, Central America, Iraq and South Korea and it will clearly be pushing hard for its inclusion in TTIP.[85]

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Chapter 3
Undermining key development goals

Previous chapters have outlined how TTIP threatens to undermine important cross-cutting issues in the SDGs and severely restrict the policy options available to countries as they seek to achieve them. However TTIP threatens to directly undermine a number of SDGs, irrespective of whether it becomes a blueprint for global trade. This is particularly apparent in respect of improving developing countries' participation in global trade, tackling climate change and addressing key public health policy challenges.

Hindering developing countries' trade

SDG target 17.11

Increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020

Despite some growth in recent years, LDC's share of global merchandise trade remains extremely low, at around 1.23 per cent, with a deficit of US$60.6 billion.[86] LDC economies continue to be dominated by primary production, in particular by mineral fuels (about 55 per cent of total LDC exports in 2011). Significant supply-side constraints remain, particularly in terms of participation in global value chains and in developing value added products. LDC's share of manufactures in merchandise exports declined from 35 per cent in 2001 to 22 per cent in 2011.[87] Improving diversification and competitiveness are therefore key to ensuring LDCs can benefit from global trade and increase their resilience to global shocks such as food and oil price spikes and financial crises.[88] To this end, one of the main aims of the Doha round of trade negotiations, launched at the WTO in 2001, was to address these issues and "improve the trading prospects of developing countries".[89] These commitments are re-stated in SDG 17.

There is currently no consensus on the likely implications of TTIP for developing countries' trade. The IFO Institute estimates that, overall, the world would profit from a comprehensive transatlantic free trade agreement, and that average real per capita income would increase by nearly 3.3 per cent.[90] Given that transatlantic tariffs are already very low in most sectors, some studies suggest that further cuts may only have a small impact on developing countries.[91] However, predictions of positive benefits to third countries tend to rely on highly ambitious and heavily critiqued estimates about the scale of liberalisation that can be achieved in TTIP, the amount of growth it will generate and the way in which benefits will be distributed.[92] The EC's impact assessment makes it clear that only one of the possible scenarios for TTIP – "an ambitious 'comprehensive free trade agreement (FTA)" – leads to increased production in third countries. The other three options – a tariff-only agreement and variations on a less ambitious deal – lead to "reduced production in third countries".[93] This is of significant concern given that negotiators have consistently lowered their level of ambition over the course of the negotiations and encountered significant difficulties in finding agreement on key sectors such as chemicals, procurement and financial services, initially argued to be the main drivers behind the growth projections.[94]

A number of studies suggest varying levels of 'trade diversion' (the loss of export markets in the US and EU due to them buying more from each other than from developing countries) and 'preference erosion' (the loss of advantages offered by existing preferential trade agreements due to equivalent or better terms between the EU and US). A study commissioned by DFID evaluates the potential effects of TTIP on the trade in goods of 43 low-income countries (LIC). It estimates that those countries would see falls in their exports to the US of 0.5 per cent and to the EU of 0.1 per cent. Whilst it argues that these negative impacts as 'negligible', it also concludes that "a transatlantic agreement carries potential threats for LIC in some sectors". It further notes that "there are some cases where the absolute effect on exports is likely to be significant". Niger, for example, is likely to see a drop in its exports to the US of 12 per cent, Malawi 3 per cent and Nepal, Ghana and Pakistan of 1 to 2 per cent. In the EU, the largest reduction in exports would be for Afghanistan, where exports would fall by 1.4 per cent. The study notes that oil exports from countries such as Chad and Nigeria would also fall, as would garment exports from Bangladesh and Pakistan.[95]

According to research by the Confederal Group of the European United Left/Nordic Green Left in the EU, TTIP poses a significant threat to Latin American countries, where a fall in EU demand for exports would reduce GDP by 2.8 per cent, causing a loss of at least €20 billion over 10 years.[96] This is supported by a study published by the Inter-American Development Bank, which calculates that TTIP could substantially affect the Latin America/Caribbean region.[97]

Other studies by the Bertelsmann Foundation and IFO Institute, using similar data to that used by the studies referred to previously, have produced more alarming figures. According to these studies, under a 'reduced-ambition' deal, developing countries stand to experience significant losses, led by Ivory Coast and Guinea whose per capita income would fall by 6.4 per cent and 7.4 per cent. According to this data, most countries outside the EU and US would see a reduction in per capita income, including Sudan (-4.1 per cent), Ethiopia (-3.3 per cent), Ghana (-4.1 per cent), Senegal (-4.4 per cent), Namibia (-4.4 per cent) and Madagascar (-4.4 per cent). Countries who already have trade agreements with the EU or US and who are significant exporters of clothing, shoes and citrus fruits (and therefore at the highest risk of substitution by EU or US products) tend to be the most adversely affected.[98]

Trade diversion could become a significant issue in respect of agricultural products, a key sector for developing countries. This is because TTIP is likely to give greater influence to large multinational corporations in global markets at the expense of developing country producers, in direct contradiction of SDG target 2.3, which aims for a *"doubling [of] the agricultural productivity and the incomes of small-scale farmers"*.[99] TTIP negotiations are aiming to cut transatlantic tariffs on farm products, increase EU and US companies' market access and strengthen intellectual property rules. If agreed, this would further expand the global market domination of EU and US multinational agricultural companies, which already account for a significant proportion of global trade in cereals, meat, dairy products, seed and agricultural chemicals. It would increase their influence over global prices and their ability to secure ownership of patents which restrict small farmers' access to seeds. Furthermore, the proposed inclusion of a regulatory cooperation body, which envisages consultation with 'key stakeholders' (such as business groups) in advance of new regulations being developed, would increase their influence over product and marketing standards, potentially increasing the complexity of compliance requirements. These changes would make it even more difficult for smaller producers in developing countries to compete in global markets.[100]

The African, Caribbean and Pacific Group of States, which negotiates trade agreements with the EU, has raised concerns about the loss of benefits from its existing preferential agreements and expressed its 'consternation' at TTIP:

"The ACP States' major concern has been the fact that preferences granted under the Economic Partnership Agreements are being continually eroded by the conclusion of free trade agreements with third countries. It will soon reach a point where tariff advantages under the EPAs are completely wiped out because of concessions granted to third parties. A more serious development relates to the rise of the so-called mega regional trading arrangements. The negotiations between the European Union and United States of the Transatlantic Trade and Investment Partnership is (sic) causing consternation to the ACP Group. We believe that if agreed, TTIP will have the effect of trade diversion resulting from removal of market entry barriers among the Parties at the expense of previous suppliers from third countries. ACP States will no doubt be affected."

Dr. Patrick Gomes, ACP Secretary General, June 2015[101]

Bangladesh: TTIPed over the edge?

Whilst Bangladesh has experienced impressive growth rates (of up to 6% p/a) and gains in key development indicators such as life expectancy and levels of primary education, it continues to face a number of challenges. Fifty million people – nearly one third of the total population – live below the absolute poverty line.[102] Sixty two million workers are classed as being 'in vulnerable employment' and worker health and safety have been of huge concern, particularly in the wake of the 2013 Rana Plaza disaster.[103] These concerns are amplified by predictions of a significant increase in the overall urban population, including the number of people seeking work. To make matters worse, Bangladesh is already bearing the brunt of climate change, with increased flooding and more intense storms in recent years.[104]

In 2011 Bangladesh's total merchandise export trade was worth US$24.3 billion, accounting for more than eighty per cent of its commodity exports.[105] It is the world's second largest apparel exporter, surpassed only by China.[106] With a fast-growing workforce, UNCTAD states that "the garment industry is a leading driver of growth and employment".[107] As is the case for many LICs, the EU and US are in the top three export destinations for all of Bangladesh's biggest exports. Bangladesh is the number one source of LIC non-fuel imports for both the EU, accounting for US$12 billion or 32 per cent, and the US, accounting for US$5.1 billion or 35 per cent of the total.

The DFID study referred to elsewhere in this report identifies Bangladesh as being particularly at risk from TTIP due to its specialisation in apparel. As an LDC benefiting from the EU's Everything But Arms (EBAs) scheme, it currently faces zero tariffs on its top twenty exports to the EU. Any reduction in tariffs on substitute products from the EU or US will increase competition for Bangladeshi producers. The study finds a potential loss of US$36 million dollars in exports to the US and US$25 million to the EU. As a comparison, the (hard-won) compensation for victims of the Rana Plaza disaster was US$30 million. Bangladesh also stands to lose out in other sectors. Shrimp (sometimes referred to as Bangladesh's 'white gold' due to its high value) is the country's second most lucrative export after apparel and the EU is its largest market. However Bangladeshi produce already faces high rejection rates when accessing EU and US markets because of failure to meet Sanitary and Phyto-Sanitary (SPS) requirements and is also being hit by climate change as floods and storms impact on production. Any changes to SPS standards or trade advantages gained by EU and US producers could therefore deal a lethal blow to the industry.[108]

Precedent for a bad deal: The US-Australia Free Trade Agreement

There is an existing precedent for TTIP which demonstrates that deals between developed countries can lead to negative impacts on developing countries' trade. The US-Australia Free Trade Agreement, which came into effect in 2005, is a comprehensive agreement with chapters on market access for goods, agriculture, pharmaceuticals, cross-border services, financial services, investment, intellectual property rights, government procurement, competition policy, labour, environment and dispute settlement – areas similar to those being negotiated under TTIP.[109] A recent detailed modelling analysis by the Australian National University found that, ten years into the agreement, Australia and the US have reduced their trade by US$53 billion with rest of the world, particularly East Asian countries. The study concludes: "Imports to Australia and the United States from the rest of the world fell by US$37.5 billion and exports to the rest of the world from the two countries fell by US$15.6 billion over eight years to 2012. Beyond the US$53 billion of trade that has been diverted, there is no evidence that the agreement has been associated with an increase in trade between the two countries".[110]

Undermining climate change targets

SDG Goal 13

Take urgent action to combat climate change and its impacts

There is widespread acceptance that climate change is already affecting the world's poorest and most vulnerable people and that it has the potential to set back progress on development goals by several decades. Climate change poses significant threats to economic growth, food security, housing and infrastructure, to name a few.[111] The United Nations Environment Programme estimates, for example, that environmental vulnerability costs Kenya 40% of its GDP.[112] Agriculture, vital as both a source of food and income, is particularly at risk as shocks like drought, floods and storms become more frequent and unpredictable.[113]

In this context, the EC claims that "preventing dangerous climate change is a key priority" and that it is "working hard to cut its greenhouse gas emissions substantially while encouraging other nations and regions to do likewise".[114] It has set targets to reduce greenhouse gas emissions by 20 per cent by 2020 and 40 per cent by 2030 against 1990 levels.[115] The US has committed to cut net greenhouse gas emissions by 26-28 per cent below 2005 levels by 2025.[116]

The EC claims that "TTIP will support our climate targets".[117] Yet its own impact assessment of TTIP states that its preferred outcome from the negotiations (a 'comprehensive' free trade agreement) will add an additional 11 million metric tons per year of CO_2 to the atmosphere.[118] Whilst it suggests that this increase is small, at 0.07 per cent of the current annual rate, it also acknowledges that "every scenario" for a possible agreement will increase trade and the use of resources for production and that this creates "dangers for both natural resources and the preservation of biodiversity".[119] This is because, under TTIP, trade is expected to increase substantially in certain sectors, including some that are associated with high CO_2 emissions, such as motor vehicles (exports up 40 per cent), metal products (12 per cent), and chemicals (9 per cent).[120]

TTIP is also being used to shape climate policies not directly covered by the deal. One important example is energy policy. In its 2007 Fourth Assessment Report, the Intergovernmental Panel on Climate Change (IPCC) found that "global increases in CO_2 concentrations are due primarily to fossil fuel use".[121] Reducing fossil fuel consumption is therefore an international priority for tackling climate change.[122] The EU's Fuel Quality Directive, adopted in 2009, requires fuel suppliers in the EU to reduce the greenhouse gas intensity of energy supplied for road transport.[123] However the search for new markets for North American tar sands and fracked oil and gas exports has meant that TTIP negotiations have been used to weaken the directive. US refiners and the oil industry heavily lobbied the US Trade Representative to include the Directive as part of the TTIP negotiations and prevent differentiated greenhouse gas values for 'unconventional' fossil fuels.[124] In October 2014, the Commission announced that companies would no longer have to account for the higher emissions from tar sands under the Fuel Quality Directive.[125]

"The United States has already approved licenses for natural gas exports, which will increase global supply and benefit partners like Europe.... and TTIP would make it even easier to get licences to export gas to the continent".

President Barak Obama, May 2014[126]

A second important example is the need to achieve "robust regulation of business by governments, to ensure that companies are accountable for their environmental impacts."[127] Yet TTIP aims at reducing so-called 'non-tariff barriers' and 'behind the border' measures, which are often the very regulations that allow governments to do this. In order to achieve 'better regulatory cooperation', the EU and US propose to establish a Regulatory Cooperation Body that would have oversight of transatlantic regulation, including the power to invite input from stakeholders and require governments to explain their rationale for introducing new regulation.[128] As with other trade agreements, regulations would have to meet the requirement of being "minimally trade distorting".[129] At the very least, these requirements increase the bureaucracy associated with trying to introduce climate-friendly policies, at worst it gives business the opportunity to significantly weaken those policies at a crucial stage in their development.

To make matters worse, the inclusion of an ISDS mechanism in TTIP could allow companies to challenge policy to support climate change goals even if the policy does get through the regulatory hurdles. Canada is already being sued by US company Lone Pine Resources, using ISDS provisions in the North American Free Trade Agreement (NAFTA), in respect of Quebec's moratorium on fracking.[130] Indeed the track records of the EU and US in ensuring trade rules support climate change goals are weak. For example, the EU and US have challenged China and India at the WTO in respect of subsidies to support the development of their solar panel industries.[131]

Given the current trajectory of the TTIP negotiations, reassurances that the deal will not undermine climate goals are less than convincing. A significant change of direction is needed to ensure that this important SDG is not undermined.

Preventing progress on public health goals

SDG target 3.b

Support research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration which affirms the right of developing countries to use to the full the provisions in the TRIPS agreement regarding flexibilities to protect public health and, in particular, provide access to medicines for all

Developing countries continue to experience high levels of communicable and non-communicable diseases. Low and middle income countries bear 93% of the world's total disease burden. Sub-Saharan Africa alone is home to around two-thirds of people living with HIV and a significant proportion of the nearly nine million new cases of TB per year.[132] The World Health Organisation (WHO) estimates that non-communicable diseases are responsible for 14 million premature deaths per year in developing countries.[133] Lack of adequate healthcare costs developing countries dear: it is estimated for example that TB causes them to lose up to US$300 billion per year in lost labour and other costs.[134]

One of the most significant barriers facing developing countries in achieving their health goals is the lack of access to drugs to treat many of the diseases their populations face.[135] One third of the world's population – over 2 billion people – lack regular access to the essential medicines they need.[136] This is generally attributed to two key factors. The first is the lack of availability of appropriate medicines. The WHO argues that because the private sector dominates research and development (although, they also note that companies spend twice as much on advertising as they do on research and development), "the profit imperative ensures that the drugs they work on are those most likely to provide a high return on the company's investment".[137] As a result, drugs for use in developed countries are prioritized over those for use in developing countries. For example, approximately 1.5 million people die of TB every year, yet just two new treatments have been developed over the past 50 years, whilst 14 have been developed for hay fever.[138] The second factor is the prohibitive cost of medicines. A course of treatment for some forms of TB can cost up to US$250,000 and for third-line treatment of AIDS (where a patient has developed resistance to the two most-used sets of medicines – almost inevitable for most patients) the lowest cost product currently available sells at over US$3,200 for a year's treatment.[139] The state of the global pharmaceuticals industry has prompted the WHO to conclude that there is "an inherent conflict of interest between the legitimate business goals of manufacturers and the social, medical and economic needs of providers and the public to select and use drugs in the most rational way".[140]

Generic medicines industries are therefore crucial to ensuring the availability of affordable medicines for people in developing countries. For example, the production of generic HIV drugs is credited with bringing the price of first-line treatment down from US$10,000 in 2000 to less than US$80 in 2010.[141] In the longer term, a generic industry can also allow developing countries to build their own pharmaceuticals industries, particularly where the initial resources for primary research and development are lacking.[142]

Trade plays a crucial role in shaping the pharmaceuticals industry. To prevent unauthorised exploitation of their work and so that they can ensure a return on their investment in research and development of drugs, companies protect them via patents, trademarks and copyrights. In trade agreements, these are referred to collectively as Intellectual Property Rights (IPRs). The WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the main mechanism by which IPRs are regulated. Its aim is to set common standards across WTO member countries' patent laws. TRIPs supports the market-led provision of all medicines and imposes certain limits on competition and local manufacturing. This exacerbates the problems of availability and price outlined above. For example, the standards it sets, such as minimum 20-year patents, help to create the monopolies that prevent the production of generic alternatives and drive prices up.[143] Compounding this is the fact that, whilst Least Developed Countries (LDCs) benefit from a waiver from the TRIPs provisions, they tend not to be major manufacturers of medicines. They therefore rely on countries like India and China for affordable medicines. However the latter countries are not LDCs, do not benefit from the waiver and have been under mounting pressure to bring their IPR provisions in line with the WTO.[144]

In 2007 the European Parliament specifically directed the EC not to include requirements that go beyond the TRIPs measures in its bilateral trade agreements with developing countries.[145] The EC says that it has "consistently led efforts to facilitate access to medicines in developing countries and to strike the right balance between the IP rights of pharmaceutical companies and the need to ensure that medicines are available for populations in need in the developing world".[146]

However these assertions do not stand up to scrutiny. Elsewhere on its website, the EC notes that "one of the EU's objectives is to improve the protection and enforcement of IP rights in third countries" and that protection and enforcement of intellectual property are "crucial for the EU's ability to stimulate innovation and to compete in the global economy".[147] The EC and US have long been pushing for provisions that go well beyond those currently contained in TRIPs. For example, TRIPS does not offer data exclusivity to originator companies (according to which they can withhold clinical trial data) yet the EC has used negotiations on a trade agreement with India to put pressure on it to include provisions on data exclusivity which would delay the registration of generic medicines for up to ten years.[148]

In the context of TTIP, the Commission states that both it and the US "are committed to maintaining and promoting a high level of intellectual property protection".[149] This reflects both the position of the pharmaceuticals industry, which seeks to "[maintain] robust standards for intellectual property provision" and the fact that pharmaceuticals are a key industry for both trading blocs: the global pharmaceuticals market is estimated to be worth US$300 billion and that the ten largest drugs companies, controlling over one-third of the market, are based in the US and Europe.[150] The EU and US propose, amongst other things, to allow companies to extend their monopolies on patented drugs, limit the disclosure of clinical trial data, oblige health authorities to price patented pharmaceutical products at their market value (rather than according to affordability criteria) and give companies increased influence over government decision-making via a regulatory cooperation body.[151] Again, the inclusion of ISDS would further limit governments' policy space: if IP is included in the definition of what constitutes an 'investment', countries would be open to challenge on their health policy decisions. In February 2010, tobacco company Philip Morris filed a case against Uruguay under a Bilateral Investment Treaty, challenging Uruguay's decision to increase the size of warning labels on cigarette packets. The company argues that these measures infringe their intellectual property rights.[152] Another example is pharmaceutical company Eli Lilly, which is suing the Canadian government for US$500 million because it terminated patents on the basis that clinical trials had been inadequate.[153]

The proposals for TTIP outlined above pose a direct threat to the ability of developing country populations to access affordable medicines. If the EU and US are serious about their commitments to PCD, a change of approach, towards one that takes account of developing countries' needs, is urgently needed.

[86] World Trade Organisation *Exports of poorest countries rebounded in 2013 but their trade share remains marginal* https://www.wto.org/english/news_e/news14_e/devel_06nov14_e.htm accesed 04/09/15

[87] Vinaye Ancharaz & Anne-Katrin Pfister, 15 May 2013 *Trade as a Compass for LDCs' Structural Transformation* ICTSD http://www.ictsd.org/briedges-news/bridges-africa/news/trade-as-a-compass-for-ldcs-structural-transformation accessed 04/09/15

[88] ICTSD, 2010 LDC's T*rade and Investment Challenges* http://www.ictsd.org/downloads/2010/11/ldcs-trade-and-investment-challenges.pdf accessed 04/09/15

[89] https://www.wto.org/english/tratop_e/dda_e/dda_e.htm

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[91] German Development Institute, January 2015 *What Should Development Actors Do About the Transatlantic Trade and Investment Partnership?* https://www.die-gdi.de/uploads/media/BP1.2015.pdf accessed 04/09/15

[92] Felbermayr et al (2013) pp.22-31

[93] European Commission (2013) *Impact Assessment Report on the Future of EU-US Trade Relations* http://trade.ec.europa.eu/doclib/docs/2013/march/tradoc_150759.pdf p.48, accessed 29/07/15

[94] Martin Myant, 'TTIP: Exaggerated Benefits and Shaky Estimations' http://www.atlantic-community.org/-/ttip-exaggerated-benefits-and-shaky-estimations accessed 02/09/15

[95] Rollo et al, (2013), pp.7, 30-9

[96] GUE/NGL, 8 April 2014 *TTIP myths shattered by new GUE/NGL-backed report* http://www.guengl.eu/news/article/ttip-myths-shattered-by-new-gue-ngl-backed-report accessed 04/09/15

[97] Institute for the Integration of Latin America and the Caribbean, January 2014 *Transatlantic negotiations and the outlook for LAC* http://www10.iadb.org/intal/cartamensual/Cartas/Articulo.aspx?Id=bea5ceeb-f00b-4abc-a917- 6296df5bfff0&lang=en, cited in Perez-Rocha (2015) p.39. According to Vera Thorstensen and Lucas Ferraz, a TTIP agreement that goes beyond simple tariff reductions could result in a 5 to 10 per cent decline in Brazilian exports to the US and the EU and a 4 to 8 per cent decline in Brazilian imports from the US and the EU. In addition, since a TTIP agreement is likely to boost US and EU competitiveness and spark additional US and EU exports, Brazil's overall share of world trade is likely to decline. In contrast, if Brazil adhered to TTIP provisions in a scenario of a 50 per cent reduction of EU and US agricultural tariffs, a 50 per cent reduction of Brazilian industrial tariffs and a 50 per cent reduction of non-tariff barriers for all partners, Thorstensen and Ferraz calculate that Brazilian exports to the United States and the EU would increase by 67.6 per cent, corresponding to US$51.1 billion, and Brazilian imports from the United States and the EU would increase by 52.9 per cent, a gain of US$42.3 billion. Daniel Hamilton, 1 December 2014 *TTIP: What are the implications for emerging powers and the international order?* BRIDGES Africa, http://www.ictsd.org/bridges-news/bridges-africa/news/ttip-what-are-the-implications-for-emerging-powers-and-the accessed 04/09/15

98 IFO Institute, January 2015 *Potential Impacts of the Transatlantic Trade and Investment Partnership on Developing and Emerging Economies* http://www.iaw.edu/tl_files/dokumente/Study-Summary-2015-TTIP-ifo_iaw.pdf; IFO *Project Potential impact of TTIP on developing and emerging countries* http://www.cesifo-group.de/ifoHome/research/Projects/Archive/Projects_AH/2014/proj_AH_ttip-entwicklungslaender.html. Felbermayr et al (2013), pp.22-31; Thieß Petersen, November 2013 *Economic Consequences of a Transatlantic Free-Trade Agreement for Asia* Bertelsmann Stiftung https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/Asia_Policy_Brief_2013_05_e.pdf all accessed 04/09/15

99 "By 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment".

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Conclusion and Recommendations

This report has revealed the huge inconsistencies between commitments under the SDGs and the current proposals for TTIP. As the blueprint for multilateral trade, it undermines the global partnership for sustainable development and directly challenges the ability of individual countries to develop their own strategies for poverty reduction and sustainable development. Instead, it sets a powerful precedent that promotes privatisation and liberalisation as the de facto policy option and seeks to 'discipline' state involvement in key sectors such as public service delivery and industrial strategy. Furthermore, as currently envisaged, it threatens to directly undermine targets on public health and climate change as well as developing countries' ability to improve their capacity for trade.

That negotiations on a deal of such magnitude and which is explicitly intended to be a blueprint for other deals are taking place outside of the WTO, with no intention to offer observer status to any third countries, is simply unacceptable. That the EU, which has a decade-old commitment to policy coherence for development, has failed to pay any attention to the impact on developing countries, such that negotiations are happening with no reference whatsoever to the implications for third countries, makes a mockery of repeated commitments to a 'round for development' at the WTO.

It is finally worth observing that a number of issues that are crucial to the achievement of the SDGs will not be covered by TTIP. The EU's position paper on 'Trade and Sustainable Development', which was made public in January 2015, is one of the most remarkable documents in the TTIP process in terms of the issues it fails to address.[154] The document makes no mention of the impact that the deal might have on developing countries, nor of the damaging policies of the EU and US, such as agricultural subsidies.[155] It also fails to recognise the issues faced by a number of countries in ensuring that multilateral corporations adhere to labour and environmental regulations, mentioning only the "positive contribution that CSR [corporate social responsibility] makes to strengthening the contribution of trade and investment to labour and environmental protection".[156] Failure to address these issues in such a major trade deal will further threaten the ability of world governments to achieve the SDGs.

If the EU is genuinely committed to making trade work for developing countries, it must:

- Halt negotiations on TTIP
- Focus on achieving a multilateral deal that genuinely gives priority to sustainable development goals
- Work with the US to address the EU and US's damaging trade policies, in particular to bring agricultural subsidies in line with WTO commitments; to reduce the often high tariffs on products coming from developing countries and to simplify rules of origin
- Deliver on its commitments under the Sustainable Development Goals.

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Annex Sustainable Development Goals and Targets[157]

Goal 1
End poverty in all its forms everywhere

1.1 by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US$1.25 a day

1.2 by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.3 implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

1.4 by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance

1.5 by 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

1.a ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation to provide adequate and predictable means for developing countries, in particular LDCs, to implement programmes and policies to end poverty in all its dimensions

1.b create sound policy frameworks, at national, regional and international levels, based on pro-poor and gender-sensitive development strategies to support accelerated investments in poverty eradication actions

Goal 2
End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

2.1 by 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round

2.2 by 2030 end all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons

2.3 by 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment

2.4 by 2030 ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality

2.5 by 2020 maintain genetic diversity of seeds, cultivated plants, farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at national, regional and international levels, and ensure access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge as internationally agreed

2.a increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development, and plant and livestock gene banks to enhance agricultural productive capacity in developing countries, in particular in least developed countries

2.b correct and prevent trade restrictions and distortions in world agricultural markets including by the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round

2.c adopt measures to ensure the proper functioning of food commodity markets and their derivatives, and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility

Goal 3
Ensure healthy lives and promote well-being for all at all ages

3.1 by 2030 reduce the global maternal mortality ratio to less than 70 per 100,000 live births

3.2 by 2030 end preventable deaths of newborns and under-five children

3.3 by 2030 end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases

3.4 by 2030 reduce by one-third pre-mature mortality from non-communicable diseases (NCDs) through prevention and treatment, and promote mental health and wellbeing

3.5 strengthen prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol

3.6 by 2020 halve global deaths and injuries from road traffic accidents

3.7 by 2030 ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes

3.8 achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all

3.9 by 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination

3.a strengthen implementation of the Framework Convention on Tobacco Control in all countries as appropriate

3.b support research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration which affirms the right of developing countries to use to the full the provisions in the TRIPS agreement regarding flexibilities to protect public health and, in particular, provide access to medicines for all

3.c increase substantially health financing and the recruitment, development and training and retention of the health workforce in developing countries, especially in LDCs and SIDS

3.d strengthen the capacity of all countries, particularly developing countries, for early warning, risk reduction, and management of national and global health risks

Goal 4
Ensure inclusive and equitable quality education and promote life-long learning opportunities for all

4.1 by 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

4.2 by 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education

4.3 by 2030 ensure equal access for all women and men to affordable quality technical, vocational and tertiary education, including university

4.4 by 2030, increase by x% the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.5 by 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations

4.6 by 2030 ensure that all youth and at least x% of adults, both men and women, achieve literacy and numeracy

4.7 by 2030 ensure all learners acquire knowledge and skills needed to promote sustainable development, including among others through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development

4.a build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all

4.b by 2020 expand by x% globally the number of scholarships for developing countries in particular LDCs, SIDS and African countries to enrol in higher education, including vocational training, ICT, technical, engineering and scientific programmes in developed countries and other developing countries

4.c by 2030 increase by x% the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially LDCs and SIDS

Goal 5
Achieve gender equality and empower all women and girls

5.1 end all forms of discrimination against all women and girls everywhere

5.2 eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation

5.3 eliminate all harmful practices, such as child, early and forced marriage and female genital mutilations

5.4 recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate

5.5 ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life

5.6 ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the ICPD and the Beijing Platform for Action and the outcome documents of their review conferences

5.a undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws

5.b enhance the use of enabling technologies, in particular ICT, to promote women's empowerment

5.c adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

Goal 6
Ensure availability and sustainable management of water and sanitation for all

6.1 by 2030, achieve universal and equitable access to safe and affordable drinking water for all

6.2 by 2030, achieve access to adequate and equitable sanitation and hygiene for all, and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations

6.3 by 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and increasing recycling and safe reuse by x% globally

6.4 by 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity

6.5 by 2030 implement integrated water resources management at all levels, including through transboundary cooperation as appropriate

6.6 by 2020 protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

6.a by 2030, expand international cooperation and capacity-building support to developing countries in water and sanitation related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies

6.b support and strengthen the participation of local communities for improving water and sanitation management

Goal 7
Ensure access to affordable, reliable, sustainable, and modern energy for all

7.1 by 2030 ensure universal access to affordable, reliable, and modern energy services

7.2 increase substantially the share of renewable energy in the global energy mix by 2030

7.3 double the global rate of improvement in energy efficiency by 2030

7.a by 2030 enhance international cooperation to facilitate access to clean energy research and technologies, including renewable energy, energy efficiency, and advanced and cleaner fossil fuel technologies, and promote investment in energy infrastructure and clean energy technologies

7.b by 2030 expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, particularly LDCs and SIDS

Goal 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8.1 sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries

8.2 achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors

8.3 promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services

8.4 improve progressively through 2030 global resource efficiency in consumption and production, and endeavour to decouple economic growth from environmental degradation in accordance with the 10-year framework of programmes on sustainable consumption and production with developed countries taking the lead

8.5 by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6 by 2020 substantially reduce the proportion of youth not in employment, education or training

8.7 take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour, and by 2025 end child labour in all its forms including recruitment and use of child soldiers

8.8 protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment

8.9 by 2030 devise and implement policies to promote sustainable tourism which creates jobs, promotes local culture and products

8.10 strengthen the capacity of domestic financial institutions to encourage and to expand access to banking, insurance and financial services for all

8.a increase Aid for Trade support for developing countries, particularly LDCs, including through the Enhanced Integrated Framework for LDCs

8.b by 2020 develop and operationalize a global strategy for youth employment and implement the ILO Global Jobs Pact

Goal 9
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

9.1 develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

9.2 promote inclusive and sustainable industrialization, and by 2030 raise significantly industry's share of employment and GDP in line with national circumstances, and double its share in LDCs

9.3 increase the access of small-scale industrial and other enterprises, particularly in developing countries, to financial services including affordable credit and their integration into value chains and markets

9.4 by 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities

9.5 enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, particularly developing countries, including by 2030 encouraging innovation and increasing the number of R&D workers per one million people by x% and public and private R&D spending

9.a facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, LDCs, LLDCs and SIDS

9.b support domestic technology development, research and innovation in developing countries including by ensuring a conducive policy environment for inter alia industrial diversification and value addition to commodities

9.c significantly increase access to ICT and strive to provide universal and affordable access to internet in LDCs by 2020

Goal 10
Reduce inequality within and among countries

10.1 by 2030 progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average

10.2 by 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10.3 ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard

10.4 adopt policies especially fiscal, wage, and social protection policies and progressively achieve greater equality

10.5 improve regulation and monitoring of global financial markets and institutions and strengthen implementation of such regulations

10.6 ensure enhanced representation and voice of developing countries in decision making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions

10.7 facilitate orderly, safe, regular and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies

10.a implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with WTO agreements

10.b encourage ODA and financial flows, including foreign direct investment, to states where the need is greatest, in particular LDCs, African countries, SIDS, and LLDCs, in accordance with their national plans and programmes

10.c by 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%

Goal 11
Make cities and human settlements inclusive, safe, resilient and sustainable

11.1 by 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums

11.2 by 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

11.3 by 2030 enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management in all countries

11.4 strengthen efforts to protect and safeguard the world's cultural and natural heritage

11.5 by 2030 significantly reduce the number of deaths and the number of affected people and decrease by y% the economic losses relative to GDP caused by disasters, including water-related disasters, with the focus on protecting the poor and people in vulnerable situations

11.6 by 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality, municipal and other waste management

11.7 by 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities

11.a support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

11.b by 2020, increase by x% the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, develop and implement in line with the forthcoming Hyogo Framework holistic disaster risk management at all levels

11.c support least developed countries, including through financial and technical assistance, for sustainable and resilient buildings utilizing local materials

Goal 12
Ensure sustainable consumption and production patterns

12.1 implement the 10-Year Framework of Programmes on sustainable consumption and production (10YFP), all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries

12.2 by 2030 achieve sustainable management and efficient use of natural resources

12.3 by 2030 halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses

12.4 by 2020 achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment

12.5 by 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

12.6 encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.7 promote public procurement practices that are sustainable in accordance with national policies and priorities

12.8 by 2030 ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

12.a support developing countries to strengthen their scientific and technological capacities to move towards more sustainable patterns of consumption and production

12.b develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products

12.c rationalize inefficient fossil fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities

Goal 13
Take urgent action to combat climate change and its impacts*

*Acknowledging that the UNFCCC is the primary international, intergovernmental forum for negotiating the global response to climate change.

13.1 strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries

13.2 integrate climate change measures into national policies, strategies, and planning

13.3 improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning

13.a implement the commitment undertaken by developed country Parties to the UNFCCC to a goal of mobilizing jointly USD100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible

13.b Promote mechanisms for raising capacities for effective climate change related planning and management, in LDCs, including focusing on women, youth, local and marginalized communities

Goal 14
Conserve and sustainably use the oceans, seas and marine resources for sustainable development

14.1 by 2025, prevent and significantly reduce marine pollution of all kinds, particularly from land-based activities, including marine debris and nutrient pollution

14.2 by 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration, to achieve healthy and productive oceans

14.3 minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels

14.4 by 2020, effectively regulate harvesting, and end overfishing, illegal, unreported and unregulated (IUU) fishing and destructive fishing practices and implement science-based management plans, to restore fish stocks in the shortest time feasible at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

14.5 by 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on best available scientific information

14.6 by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation *

14.7 by 2030 increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism

14.a increase scientific knowledge, develop research capacities and transfer marine technology taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular SIDS and LDCs

14.b provide access of small-scale artisanal fishers to marine resources and markets

14.c ensure the full implementation of international law, as reflected in UNCLOS for states parties to it, including, where applicable, existing regional and international regimes for the conservation and sustainable use of oceans and their resources by their parties

Goal 15
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

15.1 by 2020 ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

15.2 by 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and increase afforestation and reforestation by x% globally

15.3 by 2020, combat desertification, and restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land-degradation neutral world

15.4 by 2030 ensure the conservation of mountain ecosystems, including their biodiversity, to enhance their capacity to provide benefits which are essential for sustainable development

15.5 take urgent and significant action to reduce degradation of natural habitat, halt the loss of biodiversity, and by 2020 protect and prevent the extinction of threatened species

15.6 ensure fair and equitable sharing of the benefits arising from the utilization of genetic resources, and promote appropriate access to genetic resources

15.7 take urgent action to end poaching and trafficking of protected species of flora and fauna, and address both demand and supply of illegal wildlife products

15.8 by 2020 introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems, and control or eradicate the priority species

15.9 by 2020, integrate ecosystems and biodiversity values into national and local planning, development processes and poverty reduction strategies, and accounts

15.a mobilize and significantly increase from all sources financial resources to conserve and sustainably use biodiversity and ecosystems

15.b mobilize significantly resources from all sources and at all levels to finance sustainable forest management, and provide adequate incentives to developing countries to advance sustainable forest management, including for conservation and reforestation

15.c enhance global support to efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities

Goal 16
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

16.1 significantly reduce all forms of violence and related death rates everywhere

16.2 end abuse, exploitation, trafficking and all forms of violence and torture against children

16.3 promote the rule of law at the national and international levels, and ensure equal access to justice for all

16.4 by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime

16.5 substantially reduce corruption and bribery in all its forms

16.6 develop effective, accountable and transparent institutions at all levels

16.7 ensure responsive, inclusive, participatory and representative decision-making at all levels

16.8 broaden and strengthen the participation of developing countries in the institutions of global governance

16.9 by 2030 provide legal identity for all including birth registration

16.10 ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements

16.a strengthen relevant national institutions, including through international cooperation, for building capacities at all levels, in particular in developing countries, for preventing violence and combating terrorism and crime

16.b promote and enforce non-discriminatory laws and policies for sustainable development

Goal 17
Strengthen the means of implementation and revitalize the global partnership for sustainable development

Finance

17.1 strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection

17.2 developed countries to implement fully their ODA commitments, including to provide 0.7% of GNI in ODA to developing countries of which 0.15-0.20% to least-developed countries

17.3 mobilize additional financial resources for developing countries from multiple sources

17.4 assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries (HIPC) to reduce debt distress

17.5 adopt and implement investment promotion regimes for LDCs

Technology

17.6 enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation, and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, particularly at UN level, and through a global technology facilitation mechanism when agreed

17.7 promote development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

17.8 fully operationalize the Technology Bank and STI (Science, Technology and Innovation) capacity building mechanism for LDCs by 2017, and enhance the use of enabling technologies in particular ICT

Capacity building

17.9 enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all sustainable development goals, including through North-South, South-South, and triangular cooperation

Trade

17.10 promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda

17.11 increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020

17.12 realize timely implementation of duty-free, quota-free market access on a lasting basis for all least developed countries consistent with WTO decisions, including through ensuring that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access

Systemic issues

Policy and institutional coherence

17.13 enhance global macroeconomic stability including through policy coordination and policy coherence

17.14 enhance policy coherence for sustainable development

17.15 respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

Multi-stakeholder partnerships

17.16 enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries

17.17 encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships

Data, monitoring and accountability

17.18 by 2020, enhance capacity building support to developing countries, including for LDCs and SIDS, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

17.19 by 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement GDP, and support statistical capacity building in developing countries

[157] https://sustainabledevelopment.un.org/focussdgs.html

Research and writing for this report was carried out by Mark Curtis, Curtis Research and Ruth Bergan, Trade Justice Movement with input from Ruth Kelly, ActionAid.

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Make world trade work for people and the planet

TRADE JUSTICE MOVEMENT

The Trade Justice Movement is a coalition of organisations, including trade unions, aid agencies, environment and human rights campaigns, fairtrade organisations, and faith and consumer groups. Together, we are campaigning for trade justice – not free trade – with the rules weighted to benefit people and the environment. The movement is supported by more than 60 member organisations that have over 6 million members.

We believe that everyone has the right to feed their families, make a decent living and protect their environment. But the rich and powerful are pursuing trade policies that put profits before the needs of people and the planet. To end poverty and protect the environment we need trade justice, not free trade.

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