

Trade and Investment: The FfD4 Agenda

Joseph Stiglitz

October 31, 2024

Trade

- Revenues from exports major source of finance
- But entering a new era—breakdown of WTO regime
 - With collapse of Development Round, WTO regime already shown itself not up to task of promoting development
 - Vaccine apartheid showed further failures in IPR regime
 - Negotiations over pandemic preparedness treaty show advanced countries' policies still dominated by pharmaceutical companies
 - Unilateral climate measures imposed by Europe and aggressive stance against Indonesia showing lack of cooperation
- How should developing countries position themselves?
- And how should the FfD4 advocate for a system that promotes development?

Prioritization

- While trade issues have important implications for finance, expanding agenda too broadly would probably be a mistake
- The world is centered today around climate
- Big comprehensive agreements, while having marked advantages, are no longer feasible
- Alternative: Green trade, investment, technology, and finance agreements
 - Centering around climate
 - Partnering with developing countries in developing green technologies (helping establish new research facilities), better forest management, with better support for livelihoods with tropical forest preservation, providing long term finance and investment, with the opening of trade in developed countries to these “green” partners

Investment agreements

- Recognized as an impediment to climate action
- ISDS flawed mechanism for dispute resolution
- Move towards global agreement to terminate and make awards under ISDS not enforceable—violation of national sovereignty
- Develop model agreements that recognize responsibilities as well as rights, better dispute resolution mechanisms, greater flexibility in response to changing circumstances (SR: Commitment to do so; LR: set up workstream)