

## 1. Main Messages

Multilateral trade rules play a crucial role in advancing the UN Sustainable Development Goals (SDGs), but **current frameworks lack sufficient alignment with sustainability objectives.**

The World Trade Organization (WTO) and other multilateral **agreements have indirect but significant impacts** on sustainability by shaping global trade norms and market access.

Trade agreements could better contribute to sustainability **by incorporating SDG-proofing mechanisms, stronger enforcement, and enhanced coherence with environmental, social, and labour standards.**

Specific Trade Concerns (STCs) serve as a valuable mechanism to address sustainability-related disputes in multilateral trade, but **their effectiveness remains limited.**

**Stakeholder consultation and cooperation mechanisms should be strengthened** to improve the governance of sustainability in multilateral trade.

# PROJECT BRIEF 7:

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## STRENGTHENING MULTILATERAL TRADE RULES FOR SUSTAINABILITY



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## 2. Research Scope & Methodology

This deliverable examines the **role of WTO agreements and other multilateral trade frameworks** in supporting sustainability objectives. The approach includes:

- **Analysis of 20 key multilateral trade agreements** and their linkages to SDGs.
- **Development of a Trade-SDG Matrix** to assess the alignment of trade provisions with sustainability goals.
- **Case studies of Specific Trade Concerns (STCs)** to evaluate the practical role of WTO mechanisms in addressing sustainability-related trade issues.
- **Stakeholder consultations** with policymakers, industry representatives, and civil society organisations.

## 3. Key Findings: Evidence Supporting Policy Discussions

### 3.1. The Role of Multilateral Agreements in Sustainability

- Multilateral trade agreements influence sustainability outcomes, but **their impact is often indirect and uncoordinated.**
- **The WTO lacks a dedicated sustainability mechanism,** making it difficult to systematically integrate environmental and social goals into trade rules.

- **Agreements** such as the Convention on Biological Diversity (CBD) and the Paris Agreement provide complementary sustainability frameworks but **lack direct enforcement through trade rules**.

**Implication:** A structured sustainability mechanism within WTO agreements could strengthen trade's contribution to SDGs.

### 3.2. Specific Trade Concerns (STCs) as a Sustainability Tool

- **STCs provide a formal mechanism for addressing sustainability-related trade issues**, including disputes over environmental and labour standards.
- **However, STCs are reactive rather than proactive** and lack binding enforcement, limiting their effectiveness.

**Implication:** Reforming STCs to include stronger dispute resolution elements could enhance their role in sustainability governance.

### 3.3. Aligning Trade Agreements with Sustainability Priorities

- A Trade-SDG Matrix analysis reveals that **most agreements prioritise economic over environmental or social sustainability goals**.
- Certain agreements, such as the Agreement on Agriculture, contain sustainability-relevant provisions, but **enforcement remains weak**.

**Implication:** Future trade agreements should explicitly integrate sustainability indicators and compliance mechanisms.

## 4. Implications for EU Policy & Trade Governance

- **Integrate sustainability commitments explicitly** into WTO agreements.
- **Develop a dedicated dispute resolution process** for sustainability-related trade concerns.
- **Enhance regulatory cooperation** between WTO, the Paris Agreement, and the CBD.
- **Expand the scope of STCs** to include proactive sustainability discussions.
- **Introduce binding arbitration mechanisms** for unresolved sustainability disputes.
- **Ensure broader participation** from civil society, private sector, and academia in trade negotiations.
- **Develop public-private partnerships** to implement sustainability provisions in trade agreements.



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## 5. Conclusion

This deliverable highlights the need for stronger sustainability integration in multilateral trade frameworks to enhance their contribution to the UN Sustainable Development Goals.

### Key takeaways:

- Multilateral trade agreements must **systematically integrate sustainability considerations**.
- **Specific Trade Concerns (STCs) should be reformed** to include sustainability enforcement mechanisms.
- **Stakeholder engagement must be strengthened** to improve trade governance and sustainability outcomes.

This Project Brief is based on **Deliverable 2.4** of the TRADE4SD project.



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Trade4SD is a 4-year project devoted to research on a topic which is high on the domestic as well as multilateral, EU and bilateral trade policy agenda. The ambition of the project is to explore and foster the positive linkages between trade and sustainable development is to provide policy recommendations for the creation of new opportunities for agents involved in the global, regional and national agri-food value chains, and to define conditions for sustainable livelihoods of farm producers in the EU and developing partner countries. Trade is a central factor in shaping global, regional and local development. Increased trade, empowered by the growth of Global Value Chains (GVCs), has boosted productivity and incomes in many countries.