



Preparatory Committee for the Fourth International Conference on
Financing for Development (FFD4)

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**Erica Levenson, Regions Refocus, on behalf of the CS FfD Mechanism
Intervention delivered at Third informal meeting: panel discussions 6-7
Trade as an Engine for Development**

I join others in voicing urgent concern about the function of the multilateral trading system. We are facing multiple intersecting crises— including economic, political, ecological, and social— and trade has played a significant role in the formation and exacerbation of each of them. It is women and marginalized communities who are most impacted by the current fundamentally unjust trade regime.

WTO rules have failed to prevent the current trade war, yet have for decades prevented developing countries from using tariffs in genuine industrialization strategies. This highlights the need to go beyond the WTO for multilateral trade governance.

The recent spotlight on tariffs as unilateral coercive measures has showcased the structural vulnerabilities of developing countries. Their sheer survival in the global economy has become hinged on the whims of others. The language proposed by the **G77 on unilateral trade measures, especially the use of tariffs, addresses the current trade context.**

However, tariffs have already been extensively used by now-developed countries when they needed the protection that developing countries need today. Developing countries must emphasize their own policy space to employ tariffs while addressing the current moment. Free trade is currently only free for developed countries: it costs developing countries the revenue that could and should finance their own development.

Another key issue is the connection between trade and climate. There are attempts by developed countries to use trade to unilaterally impose sustainability standards on developing countries, and to ensure their own access to critical minerals in developing countries.

In this vein, we welcome the G77's proposed language on full policy flexibility for developing countries to determine their trade and investment policies regarding critical minerals. Nationally owned and controlled production, refining, and processing are necessary to ensure critical minerals are used towards domestic value addition and structural transformation rather than to benefit corporations based in the Global North.

To restore the role of trade as an engine of development, an emphasis on policy space for developing countries must cut across every issue area. This is at the core of trade justice, in FfD4 and beyond.