JBCN INTERNATIONAL SCHOOL
OSHIWARA MUN 2025

ECOFIN

ECONOMIC AND FINANCIAL COMMITTEE

Official Study Guide

AGENDA

Evaluating the effectiveness of tariff frameworks and exploring reforms to promote equitable trade

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Letter from the EB

Esteemed Delegates,

Welcome to the United Nations Economic and Financial Committee at JBCN OSHIWARA MUN 2025! As your Executive Board, we are thrilled to tackle a fundamental challenge in global economics: reforming international tariff frameworks to create a more equitable trading system.

From being fascinated by supply and demand curves in class to tirelessly brainstorming consequences of macroeconomic policies during exams, this committee celebrates the beauty of economics as a force for reshaping the world. We view ECOFIN as the ideal representation of the intersection of economic theory, abstract models and real-world policies.

This year, we want to move beyond the typical MUN theatrics of loud speeches and dramatic accusations, and instead build a committee centered on critical thinking and evidence based arguments. Your success won't be measured by how forcefully you speak, but by how thoughtfully you contribute to solving complex economic issues.

For this committee, we would like to highlight collaboration as your greatest tool. The most successful trade negotiations in history have emerged from recognizing mutual benefits and endless concessions, so craft proposals that create genuine win-win scenarios, and remember that good paperwork lies in finding where national interest aligns with collective progress.

The study guide serves as a foundational resource for conference preparation, providing comprehensive orientation while encouraging delegates to conduct independent research. It is intended as an analytical framework, not a definitive source for direct argumentation during committee proceedings, and thus, will not be accepted as a source.

We can't wait to see the economic insights you'll bring and the innovative solutions you'll craft. Together, let's make this committee a model for how thoughtful, evidence based dialogue can address even the most complex economic challenges.

Ishaan Patel
Director

Shreyas Shinde
Assistant Director

Introduction to the Committee

The United Nations Economic and Financial Committee (Second Committee) is one of the six main committees of the United Nations General Assembly focused on global economic and financial issues, with particular emphasis on developing nations. The Second Committee meets every year in early October and aims to finish its work by the end of November, with all 193 member states of the UN able to attend.

It formulates drafts resolutions and coordinates international economic activity in collaboration with ECOSOC to align with broader UN goals. The committee's current focus areas are development, finance, trade, and environmental sustainability, with a strong push toward inclusive growth and reducing inequalities in trade.

Our agenda pivots around the fifth thematic cluster in the mandate of the committee: "Globalization and interdependence" recognizing the role of tariffs in market access, but extends to the remaining ten thematic clusters of the mandate as well. Tariff rules are primarily governed by the WTO and supplemented by regional and bilateral agreements, which provide flexibility for countries at different development stages; however, their effectiveness in fostering inclusive and sustainable development is contested, particularly by developing countries and LDCs.

In executing its mandate, the Second Committee functions as a deliberative and policy-formulating body. Developing new approaches to emerging challenges, the committee drafts resolutions that, once adopted by the General Assembly, provide normative guidance to member states, UN agencies, and other international organizations. While these resolutions are not legally binding, they carry significant political weight and often shape the direction of international economic policy.

The Second Committee maintains a close working relationship with the Economic and Social Council (ECOSOC) and other UN bodies. This relationship is complementary rather than hierarchical, with ECOSOC often providing technical expertise and specialized knowledge that informs the Second Committee's broader policy discussions. The committee also coordinates with specialized agencies like the World Trade Organization, the International Monetary Fund, and the World Bank, as well as with UN programs and funds such as the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP).

List of Key Terms

- World Trade Organization (WTO): International organization dealing with the rules of trade between nations
- Subsidy: The financial grant given by a government or organization in order to increase supply by reducing the cost of production/increasing profitability.
- Absolute advantage: It is when one country can produce a good/service at a lower cost or using less resources compared to another country
- Comparative advantage: It is when a country can produce a good/service at a lower opportunity cost than another country. Modern trade is based around comparative advantage rather than absolute advantage, as it allows an economy to achieve production outside its production possibility curve.
- Tariff: A tax or duty on imported goods and services paid by the importer. There are two kinds:
  - Ad valorem: Calculated as a percentage of the good's value
  - Specific: A fixed amount per unit
- Revenue Tariff: Import duties primarily designed to generate government revenue rather than protect domestic industries.
- Bound Tariff Rate: The maximum tariff level for a given commodity line that a WTO member commits not to exceed.
- Applied Tariff Rate: The actual tariff rate charged on imports, which must be at or below the bound rate.
- Tariff Overhang: The gap between bound and applied tariff rates.
- Tariff Peaks: Exceptionally high tariffs on specific products, typically defined as rates exceeding 15%.
- Prohibitive Tariff: Tariff set so high that it effectively blocks all imports of the affected product.

- Swiss Formula: Non-linear tariff reduction formula that cuts high tariffs more than low ones.

- Effective Rate of Protection: The percentage increase in value-added per unit of output made possible by the tariff structure, accounting for tariffs on both outputs and inputs.

- Non-Tariff Barriers (NTBs): Along with tariffs, constitute the protectionist policy of a state, and include:
    - Quotas: The physical limit on supply of imported goods and services
    - Embargo: A total ban on imports
    - Export subsidy: Financial grant given to exporters
    - Red Tapism: Administrative barriers that make trade more difficult and less accessible, thus discouraging it.
    - Exchange Control: Manipulating the external value or quantity of currency in order to restrict trade

- Tariff Rate Quota (TRQ): A two-tiered tariff system that combines tariffs and quotas, specifically allowing a certain quantity of imports at a lower rate and setting a threshold limit above which that quantity of goods will face higher tariffs.

- Dumping: The practice of an exporter to sell goods in the foreign market at a lower price than the domestic price in order to set up a monopoly to gain advantage

- Trade Remedies: WTO-sanctioned measures to protect domestic industries
    - Anti-dumping Duties: Additional tariffs on goods sold below fair market value
    - Countervailing Duties: Tariffs to offset foreign government subsidies

- Most Favored Nation (MFN) Status: A WTO principle requiring members to extend the same tariff treatment given to one trading partner to all other WTO members.

- Preference Erosion: Loss of competitive advantage when MFN tariffs cease.

- National Treatment: WTO principle requiring imported goods to be treated no less favorably than domestic goods after clearing customs.

- Rules of Origin: Criteria determining the national source of a product, used for determining preferential treatment.

- Special and Differential Treatment (S&DT): The WTO agreement contains special provisions which give developing countries special rights and allow other members to treat them more favourably. Most prominently, S&DT creates provisions requiring all WTO members to safeguard the trade interests of these certain countries.

- Least Developed Countries (LDCs): The United Nations recognizes "Least Developed Countries" (LDCs) as nations facing disadvantages in their economic development due to structural, historical, and geographical factors.

- Trade Agreements (TAs): Agreements between two or more counties where the governments have agreed on certain rules and obligations
    - Unilateral trade agreements: One-sided trade arrangements that benefit only one country. They allow countries to decrease the amount of trade restrictions with another country, often offering developing nations trade benefits to help spur development. Other countries have no choice in the matter, and the agreement is not open to negotiation.
    - Bilateral trade agreements: Between two countries or customs territories. They are easier to negotiate than the multilateral trade agreements.
    - Multilateral trade agreements: Between more than two countries, the United States-Mexico-Canada Agreement (USMCA), for example. These are the most powerful but also have the most obstacles as it's harder to reach mutual satisfaction.

- Free Trade Area (FTA): Agreement eliminating tariffs and quotas between member countries while maintaining the ability to tariff externally.

- Customs Union: Free trade area with a common external tariff policy toward non-members.

- Trade Bloc: A group of countries that have agreed to reduce trade barriers amongst themselves.

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- Generalized System of Preferences (GSP): Unilateral tariff preferences granted by developed countries to developing nations, allowing reduced or zero tariffs on eligible products.

- Everything But Arms (EBA): EU initiative granting duty-free, quota-free access to all products from Least Developed Countries except arms and ammunition.

- Aid for Trade: Initiative helping developing countries build trade capacity, infrastructure, and competitiveness to benefit from trade agreements.

- Trade Facilitation: Simplification of trade procedures to reduce costs and improve efficiency of trans-national movement of goods.

- Carbon Border Adjustment: Tariffs on imports from countries with less stringent climate policies, aimed at preventing carbon leakage.

- Trade Diversion: Shift in imports from efficient producers outside a trade agreement to less efficient producers within it due to preferential tariffs.

- Trade Creation: Replacement of domestic production with more efficient imports due to tariff reduction, increasing overall welfare.

Importance of the Agenda

The global trading system operates through agreements that collectively govern approximately $25 trillion in goods and services traded annually, and this system has been deliberated upon now more than ever with the United States at the helm of this discussion. But the foundation lies in the World Trade Organization's framework which establishes bound tariff rates for 98% of global trade flows and provides the legal infrastructure for non-discriminatory treatment through Most Favored Nation principles. These frameworks have facilitated a reduction in average applied tariffs from 40% in 1947 to 8.5% in 2024, though significant variations persist across sectors and development levels.

The tariff architecture encompasses multiple instruments. Tariff-rate quotas permit specified quantities at preferential rates while maintaining higher duties on volumes exceeding these thresholds, particularly prevalent in agricultural trade where sensitive products require balanced market access. Tariff escalation structures impose progressively higher rates on processed goods compared to raw materials, affecting value chain participation for commodities. Additionally, preferential arrangements including the Generalized System of Preferences and least-developed country initiatives provide asymmetric market access, though utilization rates average only 67% due to complex rules of origin and administrative requirements.

Another integral aspect of this agenda is the efficacy of institutional mechanisms, which have started showing signs of systemic stress. For example, the WTO's Appellate Body remains non-functional since December 2019, leaving 29 disputes in legal limbo, and the Doha Development Round, launched in 2001, remains deadlocked over agricultural subsidies, non-agricultural market access, and services liberalization. Regional trade agreements have proliferated to over 350 that sometimes create overlapping obligations that result in higher compliance costs by an estimated 3-5% of transaction values for businesses operating across multiple countries.

Equitable international trade is not just about simple reciprocity but about development capacity, and requires recognition that identical treatment may produce disparate outcomes given vast differences in economic scale. A 5% tariff reduction carries different implications for an economy with $50,000 per capita income versus one with $500, necessitating approaches that account for development levels.

The committee's mandate, under the 5th as described by the United Nations, is to reform and create systems that can attain equity goals without sacrificing the efficiency gains and incentives for innovation that open trade offers. This calls for moving beyond zero-sum debates over free trade and protectionism to more subtle approaches that see trade as a tool for human development rather than an objective.

Historical Context

Although the modern tariff system first appeared in the 19th century, along with industrialization and the emergence of nation-states, the roots of international trade policy date back centuries. Many nations implemented protectionist measures during this time to keep their own industries safe from outside competition. In order to encourage domestic production and lessen dependency on imports, high tariffs were frequently applied.

As nations increased tariffs in an effort to safeguard their economies after the Great Depression's devastating effects in the 1930s, international trade fell precipitously. Acts such as the Smoot-Hawley Tariff imposed by the United States during this period of extreme protectionism exacerbated the global economic crisis and brought attention to the perils of disorganized trade barriers.

Following World War II, countries realized that a more collaborative strategy was required. As a result, the General Agreement on Tariffs and Trade (GATT) was established in 1947 with the goal of lowering tariffs and advancing freer trade via multilateral discussions. GATT laid the foundation for the World Trade Organization's formation in 1995 and effectively facilitated several rounds of tariff reductions.

Regional trade blocs like the European Economic Community, which later became the European Union, also gained traction in the post-war era. At the same time, nations in Asia, Africa, and Latin America frequently maintained high tariffs in an effort to safeguard their developing economies through import substitution policies.

As globalization picked up speed in the late 20th and early 21st centuries, many countries welcomed trade liberalization. Significant growth and integration resulted from this, but trade imbalances and inequality also widened. Discussions concerning the efficacy and fairness of the current tariff systems, particularly with regard to developing nations, have been reignited by these developments.

Today’s tariff frameworks are shaped by this historical legacy, a constant tension between protectionism and liberalization, between national interest and global cooperation. Understanding this context is essential for assessing current systems and proposing meaningful reforms.

Timeline

Foundation Era

- 1776 - Adam Smith writes "Wealth of Nations," widely regarded as the birth of economics and develops ideas of free trade and the free market
- 1817 - David Ricardo develops comparative advantage theory
- 1846 - UK repeals Corn Laws, embracing free trade
- 1860 - Cobden-Chevalier Treaty begins European tariff reduction
- 1930 - Smoot-Hawley Tariff triggers global protectionism policy
- 1934 - US Reciprocal Trade Agreements Act reverses protectionism
- 1944 - Bretton Woods Conference establishes post-war economic order

GATT Era

- 1947 - GATT signed by 23 countries, average tariffs at 40%
- 1964-1967 - Kennedy Round cuts industrial tariffs by 35%
- 1973-1979 - Tokyo Round addresses non-tariff barriers
- 1986 - Uruguay Round begins, most ambitious trade negotiations
- 1994 - WTO agreement signed, creating permanent trade institution

WTO Era

- January 1995 - WTO replaces GATT with 128 members
- November 2001 - Doha Development Round launched
- September 2003 - Cancún Ministerial collapses over agriculture
- July 2008 - Doha Round negotiations break down
- December 2013 - Bali Package achieves first WTO multilateral agreement
- September 2015 - SDGs include trade targets 17.10-17.12
- February 2017 - Trade Facilitation Agreement enters into force

Trade Wars

- January 2017 - US withdraws from Trans-Pacific Partnership
- March 2018 - US-China trade war begins with steel tariffs
- January 2020 - US-Mexico-Canada (USMCA) replaces North America Free Trade Agreement (NAFTA)
- January 2021 - Brexit transition ends, UK-EU TCA applies
- November 2020 - RCEP signed, world's largest FTA

COVID-19 Pandemic

- March 2020 - Export restrictions on medical supplies proliferate
- May 2020 - Global trade falls 12% in Q2
- January 2021 - AfCFTA becomes operational
- June 2021 - G7 agrees on minimum corporate tax framework

Green Trade & Fragmentation

- February 2022 - Russia-Ukraine conflict disrupts food/energy trade
- August 2022 - US CHIPS Act introduces semiconductor subsidies
- October 2023 - EU Carbon Border Adjustment Mechanism pilot begins
- December 2023 - COP28 includes first trade and climate ministerial

Recent Developments

- March 2024 - US increases Section 301 tariffs on Chinese EVs to 100%
- June 2024 - EU elections shift priorities, with a focus on competitiveness and more assertive pro-trade policies
- November 2024 - G20 Rio Summit focuses on Global South trade concerns
- January 2025 - EU CBAM fully operational with carbon tariffs
- January 2025 - Trump announces "Tariff First" trade agenda
- March 2025 - WTO Appellate Body reform negotiations deadline
- May 2025 - US-Kenya Trade Agreement negotiations conclude
- July 2025 - China formally applies to join CPTPP
- August 2025 - Digital Services Tax multilateral framework negotiations intensify

Existing Trade Systems

Multilateral, regional, and bilateral agreements form the intricate foundation of the current global trade system. The World Trade Organization, which creates fundamental guidelines for global trade and offers a dispute resolution forum, is at the center of it. Although the WTO is still essential to the governance of global trade, growing protectionism, unresolved disputes, and the paralysis of its Appellate Body have all threatened the organization's power in recent years.

Regional trade agreements, which frequently advance liberalization efforts that have stalled at the multilateral level, have gained momentum alongside the WTO. This trend toward regionalism is best illustrated by agreements like the Regional Comprehensive Economic Partnership (RCEP), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the common trade policy of the European Union. These agreements, which reflect a larger shift in trade governance, frequently contain clauses pertaining to digital trade, environmental standards, and investment protections.

Additionally, bilateral agreements continue to influence trade dynamics by enabling nations to pursue particular interests outside of the more leisurely framework of multilateral negotiations. However, a fragmented trade landscape with overlapping regulations, unequal bargaining power, and limited coherence has been exacerbated by the increased reliance on bilateral and regional agreements.

Furthermore, the scope of trade architecture has grown beyond conventional tariff issues due to the emergence of non-tariff measures, digital trade policies, and sustainability concerns. The global trade system is under increasing pressure to modernize, adapt, and become more inclusive as nations increasingly tie trade to labor, technological, and climate standards.

Improved dispute resolution procedures, renewed international cooperation, and a stronger emphasis on making sure trade frameworks support social justice and economic efficiency are all imperative in this changing environment.

Key Issues

North-South Trade Imbalances

Developed countries maintain relatively low average tariffs (2-4%) but employ sophisticated non-tariff barriers and retain high tariffs on labor-intensive products where developing countries hold comparative advantages. Meanwhile, developing countries face the paradox of needing revenue from tariffs while simultaneously seeking to integrate into global value chains that require lower trade barriers.

The issue is compounded by tariff escalation, where processed goods face higher tariffs than raw materials, effectively locking developing countries into roles as commodity exporters rather than value-added manufacturers. For instance, while cocoa beans may enter developed markets duty-free, chocolate products face tariffs of 15-20%, limiting industrialization opportunities in producing countries.

The Case of Least Developed Countries

Despite preferential schemes like the EU's Everything But Arms initiative and the US Generalized System of Preferences, LDCs continue to face significant market access challenges, and complex rules of origin requirements often negate preferential treatment benefits. Some estimates suggest that only 60-70% of eligible exports actually receive preferential access due to compliance difficulties.

LDCs also struggle with capacity constraints in meeting technical standards and sanitary/phytosanitary measures, which increasingly serve as de facto trade barriers. The concentration of LDC exports in a narrow range of commodities makes them particularly vulnerable to tariff peaks and seasonal fluctuations in preferential access.

Rules of Origin Complexity

The proliferation of preferential trade agreements has created a "spaghetti bowl" effect, where identical products face different tariff treatments depending on complex origin requirements. These rules, while designed to prevent trade deflection, often impose disproportionate compliance costs on smaller exporters who lack sophisticated logistics and legal capabilities.

Restrictive rules of origin can require 35-50% value addition within specific regions, making it difficult for countries to participate in global value chains. The administrative burden of proving origin compliance can add 2-5% to product costs, effectively negating preferential margins for many developing country exporters.

Non-Tariff Barriers Proliferation

As bound tariff rates have declined through multilateral negotiations, non-tariff barriers have become increasingly prominent trade impediments. Technical barriers to trade, including product standards, testing requirements, and certification procedures, now affect an estimated 70-80% of global trade flows, and this challenge is distinguishing between legitimate regulatory objectives (consumer protection, environmental standards) and protectionist measures.

Digital Trade Taxation and Cross-Border Data Governance

The digital economy presents unprecedented challenges for traditional tariff frameworks. Digital services cross borders instantaneously without physical manifestation, making conventional customs procedures obsolete. Countries are implementing digital services taxes unilaterally, creating a fragmented regulatory environment that threatens the seamless nature of digital trade.

Cross-border data flows, essential for modern commerce, face increasing restrictions as countries implement data localization requirements and digital sovereignty measures. These policies, while addressing legitimate privacy and security concerns, can fragment global digital markets and disproportionately impact developing countries seeking to participate in the digital economy.

Environmental Tariffs

The intersection of trade and climate policy has introduced new complexities to tariff frameworks, with the EU's Carbon Border Adjustment Mechanism (CBAM) that was implemented in 2023, imposes carbon-equivalent charges on imports from countries with less stringent climate policies. While designed to prevent carbon leakage and maintain industrial competitiveness, CBAM raises concerns about green protectionism and impacts on developing country exporters.

Second Trump Administration Trade Policies

The return of President Trump to office in January 2025 has introduced significant uncertainties into global trade architecture. The administration's proposed universal baseline tariff of 10-20% on all imports, combined with targeted tariffs of 60% or higher on Chinese goods, represents a fundamental departure from seven decades of trade liberalization efforts.

These policies threaten to fragment the global trading system into competing blocs, and the administration's emphasis on reshoring manufacturing and achieving bilateral trade balance risks triggering retaliatory measures from trading partners.

Systematic Organization Failure

The World Trade Organization faces an existential crisis, with the Appellate Body non-functional since 2019 and limited progress on multilateral negotiations since the Doha Round stalemate. This institutional weakness has encouraged unilateral trade actions and bilateral arrangements that undermine the multilateral system's coherence.

The inability to address 21st-century trade challenges through multilateral frameworks has led to forum shopping, where countries pursue trade objectives through regional agreements and bilateral deals, breaking the global trading system.

Bloc Positions

DEVELOPED ECONOMIES

United States

The second Trump administration has greatly altered U.S. trade policy, proposing universal baseline tariffs of 10–20% on all imports and targeted tariffs on Indian, Russian, Chinese, and other goods. The main aim of moving away from trade liberalization is to prioritize domestic manufacturing and reciprocal trade balance. The administration views existing WTO rules as inadequate for addressing perceived unfair trading practices, and this approach has prompted significant concern among traditional allies about trade war escalation.

Japan

Japanese policy emphasizes high-standard regional agreements like CPTPP and RCEP while advocating for WTO reform focused on dispute settlement and digital trade rules. Japan views trade liberalization as essential for economic growth given demographic constraints and seeks to counter Chinese economic influence through alternative regional frameworks.

DEVELOPING ECONOMIES

People's Republic of China

China maintains its developing country status in the WTO while facing pressure to assume responsibilities commensurate with its economic size. Beijing emphasizes state-led development models and rejects Western demands to abandon industrial policies that support strategic sectors. Aiming to remain deeply embedded in regional supply chains that resist marginalization by the U.S. or its partners, China frames U.S. trade actions as protectionist attempts to contain its development rather than responses to unfair practices.

Republic of India

India pursues "Atmanirbhar Bharat" (self-reliant India) policies prioritizing import substitution, advocating for enhanced special and differential treatment while resisting pressure to undertake extensive liberalization. Amid concerns over Donald Trump's steep tariff hikes on Indian exports, Prime Minister Narendra Modi reiterated that India would never compromise on farmers' interests, even at economic cost.

Federative Republic of Brazil

Brazilian policymakers emphasize reciprocal market access for agricultural products while maintaining tariffs on manufactured goods to protect domestic industry. Brazil advocates for the elimination of agricultural subsidies and tariff peaks in developed countries while seeking policy space for industrial growth. The 50% tariffs imposed on Brazil by the Trump administration are among the steepest, with many suspecting political rather than economic motives. Brazil's muted response underscores the relatively closed nature of Latin America's largest economy.

Least Developed Countries (LDC Group)

The 46-member LDC Group advocates for greater market access through expanded duty-free, quota-free treatment, while seeking maximum flexibility in their own liberalization commitments. They also call for simplified rules of origin and Aid for Trade support to build export capacity. However, a UNCTAD report reveals LDCs are not on track to reach their target of doubling global export share by 2030, with levels stagnating at around 1% since 2011.

Small Island Developing States (SIDS)

The 38-member SIDS group faces unique challenges due to small market size and geographic isolation. Recent surges in global shipping costs have strained supply chains, while maritime connectivity has declined by an average of 9% over the past decade, leaving them highly vulnerable to freight rate volatility. SIDS highlight comparative advantages in tourism and financial services, while advocating for recognition of their structural trade disadvantages and enhanced climate adaptation support.

REGIONAL GROUPS

European Union

The EU remains committed to multilateral institutions while pursuing "strategic autonomy" through regulatory leadership. European trade policy increasingly links market access to environmental, social, and governance standards, as seen in the Carbon Border Adjustment Mechanism. The EU calls for WTO modernization rather than abandonment, aiming to integrate climate and digital governance into global trade rules.

Association of Southeast Asian Nations (ASEAN)

The "ASEAN Way" emphasizes gradual integration among diverse economies. The ASEAN Free Trade Area has achieved significant tariff liberalization, making the bloc a key driver of growth and stability in Southeast Asia. However, reciprocal tariffs imposed by the United States threaten to reduce ASEAN exports and hinder regional trade performance.

African Union

The AfCFTA, a flagship initiative of the AU under Agenda 2063, aims to create a single African market by reducing intra-continental trade barriers. It seeks to boost intra-African trade, attract investment, and enhance global competitiveness. The initiative focuses on removing barriers to market access, sharing commercial data, and offering regulatory guidance to businesses, helping African firms expand across the continent.

MERCOSUR

Since its creation, its main objective has been to promote a common space that generates business and investment opportunities through the competitive integration of national economies into the international market. As a result, it has established multiple agreements with countries or groups of countries, granting them, in some cases, the status of Associated States; this being the situation of the South American countries. These participate in activities and meetings of the Bloc and have trade preferences with the States Parties. MERCOSUR has also signed commercial, political or cooperation agreements with a diverse number of nations and organizations on all five continents. Most recently, it reached a landmark agreement with the EU and is considering expanding the partnership with India.

Case Studies

AGOA - US-Africa Trade Relations

Launched in 2000, the African Growth and Opportunity Act is a landmark preferential trade program that allows countries in sub-Saharan Africa to export products to the United States tariff free. U.S. trade with sub-Saharan Africa has plateaued in recent years, prompting questions about the effectiveness of a preferential trade program for the region. In 2023, U.S. President Joe Biden removed several countries from AGOA amid congressional debate over the program's future. It is now set to officially expire on 30 September, meaning that African policy-makers face a pivotal decision.

RCEP and Tariff Liberalization in Asia

The Regional Comprehensive Economic Partnership covers 30% of global GDP and demonstrates how a flexible approach allows different liberalization schedules among members while achieving substantial tariff reductions over 10-20 year periods. India's last-minute decision in November 2019 to withdraw from joining the Regional Comprehensive Economic Partnership, the most expansive regional trade agreement that India had ever negotiated, was triggered by a belated rethink in New Delhi policy circles.

Brexit in 2025

The United Kingdom's departure from the EU has required tariff schedule reconstruction, with the "Global Britain" initiative emphasizing high-standard agreements. This now points to a critical conjuncture for UK trade policy amid potential global fragmentation. In the eventuality that the UK may be forced to choose between its two largest trading partners, the EU remains our biggest trade partner and offers more trade policy certainty. But such polarisation of picking sides with one or another trade partner is not an ideal situation

Bangladesh's LDC Status

Bangladesh is about to graduate from Least Developed Country (LDC) status in 2026, the transition of which has begun in 2022. Bangladesh is currently seeking an extension of its LDC status. Until the request is accepted, the country remains in the preparatory stage of the Smooth Transition Strategy (STS) and must ensure macroeconomic stability while fulfilling sustainability requirements, including labour welfare and fair wages. The instability coinciding with the country's transition from LDC to developing nation status poses serious questions about its preparedness. To navigate this critical

phase, Bangladesh must maintain macroeconomic stability and intensify efforts to diversify its manufacturing and trade sectors. According to UN DESA, securing trade preferences and favourable transition measures requires active engagement in negotiating trade agreements, improving labour welfare, and ensuring sustainable production practices.

Past resolutions

Resolution 1995 (XIX) - Establishment of UNCTAD (1964): The General Assembly's establishment of the United Nations Conference on Trade and Development marked the first framework addressing trade disparities, and recognizing that existing trade structures perpetuated economic inequalities. The mandate of UNCTAD was set to promote international trade for global economic development.

Resolution 2626 (XXV) - International Development Strategy for the Second UN Development Decade (1970): This landmark resolution established the 0.7% GNI target for official development assistance and explicitly linked trade liberalization with development objectives. It called for the progressive removal of tariff and non-tariff barriers affecting exports from developing countries and introduced the principle of non-reciprocal preferences for developing nations.

Resolution 35/56 - International Development Strategy for the Third UN Development Decade (1980): Building on previous strategies, this resolution specifically addressed tariff escalation affecting processed goods from developing countries. It called for the reduction of tariff peaks and the expansion of the Generalized System of Preferences, establishing concrete targets for trade liberalization that would later influence WTO negotiations.

Resolution 55/182 - International Trade and Development (2000): This resolution addressed the role of developing countries into the multilateral trading system, particularly in the context of the newly launched Doha Development Round.

Resolution 70/1 - Transforming Our World: The 2030 Agenda for Sustainable Development (2015): Target 17.10 calls for a "universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO," and 17.11 aims to significantly increase developing countries' exports..

Resolution 63/303 - Outcome of the Conference on the World Financial and Economic Crisis (2009): This resolution, adopted in response to the 2008 financial crisis, recognized the severe impact of the crisis on international trade, which contracted by 12% in 2009. It called for the rejection of protectionism and enhanced Aid for Trade to help developing countries adjust to changing trade patterns.

Resolution 77/150 - International Trade and Development (2022): This resolution addressed emerging challenges in terms of digital trade and the implications of climate policies. It reaffirmed the centrality of the WTO while acknowledging the need for reform to address 21st-century trade realities.

Resolution 47/187 - Enhanced Cooperation Between the UN and Regional Organizations (1992): This resolution's relevance to trade lies in its recognition of regional trade agreements as building blocks for multilateral trade liberalization. It established principles for ensuring RTAs complement rather than undermine the multilateral trading system, a concern that remains central to contemporary trade debates.

Resolution 66/288 - The Future We Want (Rio+20 Outcome, 2012): The Rio+20 outcome document linked trade policy with sustainable development, introducing concepts that would later evolve into discussions on carbon border adjustments and environmental tariffs.

Resolution 58/220 - Economic and Technical Cooperation Among Developing Countries (2003): This resolution strengthened the framework for South-South cooperation in trade, supporting the establishment of the Global System of Trade Preferences among developing countries. It recognized that developing countries could offer each other meaningful market access and technical cooperation without waiting for North-South agreements.

Resolution 69/313 - Addis Ababa Action Agenda (2015): As the financing framework for the SDGs, this resolution contains extensive provisions on trade as a means of implementation. It calls for the elimination of agricultural export subsidies, reduction of trade costs through implementation of the Trade Facilitation Agreement, and increased support for LDCs to meet rules of origin requirements for preferential market access.

Questions a Resolution Must Answer

1. How can a comprehensive framework be developed such that it balances the diverse economic needs of developed, developing, and least developed countries?

2. How can stabilizing government revenues or existing foreign relationships be reconciled with mechanisms that accelerate trade reform?

3. Given that many developing countries rely on tariffs for significant portions of government revenue, what alternative revenue mechanisms and transitional support systems should accompany liberalization efforts?

4. What should govern the taxation and regulation of digital trade to ensure both meaningfully participation from countries in the digital economy?

5. How can tariff reforms incorporate environmental objectives without creating new barriers for developing countries' legitimate development aspirations?

6. To what extent should the carbon border, environmental tariffs, or other sustainable factors affect the development of new trade frameworks?

7. What role should institutional arrangements such as the WTO play in governing international trade?

8. What criteria and graduation mechanisms would allow countries to progress through development stages without facing cliff-edge effects?

9. What measures would prevent tariff escalation from trapping countries in primary commodity dependence?

10. What emergency provisions should be built into tariff frameworks to address future pandemics, supply chain disruptions, or economic crises without undermining the multilateral system?

11. What standards should ensure that regional arrangements complement rather than fragment the global trading system?

12. Beyond traditional economic metrics, what indicators should assess whether trade reforms genuinely promote inclusive development and reduce inequality?

13. Given the accelerating pace of economic and technological change, how can rules be implemented that allow trade rules to remain effective without constant renegotiation?

Delegate toolkit

This section has been developed with the intent to provide delegates with essential resources needed to engage in debate and reach solutions that directly address the agenda.

Relevant UN Documents and Resources

UNCTAD Trade and Development Reports are essential in trade, with the 2024 report focusing on "Growth, Debt, and Climate" which addresses the intersection of tariff revenues and environmental challenges. These reports offer pre-analyzed data on tariff impacts across different country groups, saving research time while providing credible statistics.

SDG Targets 17.10-17.12 are globally agreed commitments that all UN members have endorsed. Using SDG language in resolutions helps ensure broader support since countries have already committed to these goals, and can be a very strong pivot for delegates in arguments.

UN Global Crisis Response Group Reports offer real-time analysis of how recent shocks affect trade systems, and their documentation serves as evidence for why reform must include flexibility mechanisms.

Essential Databases include:

- **UN Comtrade: Detailed bilateral trade flows**
- **UNCTAD TRAINS: Tariff and non-tariff measures**
- **WTO Tariff Analysis Online: Bound and applied rates**
- **ITC Trade Map: Export/import statistics and market access**

Key Statistics to Research:

- **Your country's tariff and protectionism policy**
- **Main trading partners and trade balance**
- **Tariff peaks in sensitive sectors**
- **Utilization rates of preferential schemes**

Academic Papers and Think Tank Reports

- The Journal of International Economics offers analysis of tariff impacts
- World Development examines trade-poverty linkages which can be used in equity arguments.
- The Peterson Institute offers detailed analysis of current trade tensions and reform proposals.
- The Overseas Development Institute examines trade impacts on developing countries with practical policy recommendations

Preparation Guidelines

Understanding Your Country's Trade Profile: Create a one-page summary covering main exports/imports, top trading partners, average tariff rates, revenue dependence, and participation in trade agreements. If you represent Nigeria, for instance, understanding oil export dependence explains why tariff revenue from imports matters less than exchange rate stability. For Bangladesh, the concentration in textiles means rules of origin and tariff escalation on clothing directly affect millions of jobs.

Building Coalition Strategies recognizes that no country achieves its goals alone in multilateral negotiations. Traditional groups like the G-90 provide numbers but may include countries with divergent interests. A landlocked country might partner with island states on trade facilitation despite different development levels. Prepare coalition-building tools and compromise proposals that address partners' concerns.

Resolution Principles:

- Use consensus language from existing documents
- Include specific timelines and measurable targets
- Address concerns of all development levels
- Begin preambular paragraphs by referencing agreed documents
- Structure operative paragraphs from immediate to long-term actions, giving all countries something they can support.
- Every proposal needs an implementation mechanism that includes who does what, when, and with what resources.

Preambulatory and Operative Clauses

Preambulatory clauses:

Acknowledging Affirming Alarmed by Approving Aware of Believing Bearing in mind Confident Congratulating Contemplating Convinced Declaring Deeply concerned Deeply conscious Deeply convinced Deeply disturbed Deeply regretting Deploring Desiring Emphasizing Expecting Expressing its appreciation Expressing its satisfaction	Fulfilling Fully alarmed Fulfilling Fully alarmed Fully aware Fully believing Further deploring Further recalling Guided by Having adopted Having considered Having considered further Having devoted attention Having examined Having heard Having received Having studied Keeping in mind Noting further.	Taking note Viewing with appreciation Welcoming Noting with appreciation Noting with approval Noting with deep concern Noting with regret Noting with satisfaction Observing Pointing out Reaffirming Realizing Recalling Recognizing Referring Reminding Seeking Taking into account Taking into consideration

Preambulatory and Operative Clauses

Operative clauses:

Accepts	Designates	Recommends
Affirms	Encourages	Regrets
Approves	Endorses	Requests
Appreciates	Expresses its hope	Resolves
Asks	Further invites	Seeks
Authorizes	Further proclaims	Strongly affirms
Calls for	Further recommends	Strongly condemns
Calls upon	Further requests	Strongly urges
Condemns	Further resolves	Suggests
Congratulates	Hopes	Trusts
Confirms	Proclaims	Transmits
Deplores	Proposes	Urges