

UN Member States prioritize the fight against illicit trade

Barbados, 7 October 2021 – Today, the fifteenth session of the United Nations Conference on Trade and Development (UNCTAD 15), added the challenge of mitigating illicit trade amongst its priorities for the next four years.

At its closing plenary, UNCTAD 15 Ministerial Meeting adopted the [Bridgetown Covenant](#), which forms the basis for the UNCTAD work program going forward. Recognizing the significant threat that Illicit trade poses to sustainable development, the Covenant included new text defining a vision for UNCTAD to play a key role in combatting illicit trade:

Para 85: This requires addressing the challenge faced by many developing countries in the estimation of illicit trade, including the assessment of their impact on resource mobilization for development, specifically, and on national development strategies. Illicit trade creates a triple threat to the financing of development: crowding out legitimate economic activity, depriving Governments of revenues for investment in vital public services and increasing the costs of achieving the Sustainable Development Goals (SDGs).

“TRACIT is pleased to see UNCTAD 15 address this critical issue for the first time,” said Jeff Hardy, TRACIT Director-General. Illicit trade significantly endangers achievement of the UN SDGs and is a major underlying factor driving illicit financial flows, especially in and out of developing countries.”

UNCTAD is uniquely positioned to help governments understand the challenge of illicit trade and to explore pathways for mitigating it, through international collaboration and by strengthening capabilities at the national level. In this context, UNCTAD can play a valuable role in examining the negative impacts of illicit trade on development and limiting opportunities for it to clog trade routes and damage legitimate trade and investment flows.

TRACIT and UNCTAD have worked together to raise awareness on illicit trade among member states, including by co-hosting the 2019 Dialogue on Illicit Trade and the Sustainable Development Goals and convening the first [Illicit Trade Forum](#) in February 2020.

“The new UNCTAD mandate highlights the pervasive nature of illicit trade as a global problem and the need to act collectively to reduce its manifestations, promote awareness of its consequences and aid policymakers to adopt more effective solutions,” said Mr Santiago Wills, Ambassador and Permanent Representative of Republic of Colombia to the WTO. “We stand ready to support UNCTAD in developing its work program on illicit trade and to contribute to cross-sectorial and multi-disciplinary solutions.”

About TRACIT

The Transnational Alliance to Combat Illicit Trade (TRACIT) is an independent, private sector initiative to drive change to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade.

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