

Calls from developing countries to discuss Unilateral Measures

Kuala Lumpur, 29 November (Hilary Kung) — The issue of whether unilateral measures [UMs] can be discussed at the UNFCCC was highly contested during the Baku climate talks, which ended on 24 Nov.

Developing countries wanted the issue to be discussed as UMs imposed by developed countries have negative impacts on them. One such measure cited by developing countries is the European Union's [EU] carbon border adjustment mechanism [CBAM]. Developing countries argued that the place to discuss such policies are in the UNFCCC, while developed countries said that the proper fora is the World Trade Organisation [WTO].

The issue of UMs was discussed under the agenda item on the 'Forum on the Impacts of the Implementation of Response Measures (the Forum)', as well as under closed-door consultations by the COP 29 Presidency on whether UMs should be a specific agenda item on its own [in response to a proposal by **BASIC (Brazil, South Africa, India and China)** for such an item to be discussed.] The BASIC proposal to discuss the impacts of UMs was also supported by other developing countries, including the **G77 and China**.

Following intense negotiations, the issue of UMs only found place for discussion in the workplan as an activity of the Response Measures Forum. [See details below].

RESPONSE MEASURES FORUM

Discussions on the Forum were contested over how developing countries' concerns with climate-change related unilateral restrictive trade measures would be addressed in the new 5-year workplan of the 'forum on the impact of the implementation of response measures and its Katowice Committee of Experts on the Impacts of the Implementation of Response Measures for 2026–2030 (KCI)'.

The options on the table were: (1) "Recalling Article 3, paragraph 5 of the Convention, analyse, assess and report on the impacts of measures taken to combat climate change, including domestic and cross border impacts" and (2) "Analyse, assess and report on the impacts of measures taken to combat climate change, including UMs, on Parties with economies most affected by the impacts of response measures, particularly developing country Parties." [The BASIC countries proposal was to name the activity, "Analyse, assess and

address climate-change related unilateral restrictive trade measures, and identifying the ways to promote international cooperation”.]

During the final informal consultation convened in the late evening of Thursday, Nov 21, developing countries, led by **G77 and China** called for “special attention on UMs” and re-emphasized that the mandate should stay focused on the negative and cross-border impacts. Developed countries, however, talked about budgetary constraints and cost implications of the proposed workplan.

Mattias Frumerie (Sweden) and **Andrei Marcu (Honduras)** co-facilitated the final informal consultation.

The final compromise language that made its way into the workplan that was adopted reads: “Activity 6: Analyse, assess and report on the impacts of measures taken to combat climate change, including cross-border impacts, recalling Article 3, paragraph 5, of the Convention”.

[Article 3 (5) of the Convention establishes that “Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.”]

The modalities agreed for Activity 6 include building awareness and enhancing information-sharing through the exchange and sharing of experience and best practices; preparing technical papers; national, regional and sector-specific case studies, concrete examples, and guidelines; receiving input from and facilitating collaboration with experts, practitioners and relevant organizations; and organizing workshops.

As per paragraphs 6 and 7 of the [decision text that was](#) adopted, the KCI will prepare and include in its annual report for 2025 a timeline and modalities for the implementation of each activity in the workplan, as well as the consideration of matters of process and substantive matters. It was also

agreed that the outputs would be two reports and recommendations to the governing bodies.

While the decision was welcomed by developing countries, it is still some way to go before a meaningful discussion can take place on the impacts of UMs.

PRESIDENCY CONSULTATIONS ON UMS

Prior to the climate talks, **China** for the **BASIC** had submitted a proposal to include a new agenda item titled, “Concerns with climate-change related unilateral restrictive trade measures, and identifying the ways to promote international cooperation in line with the first GST [global stocktake] Outcome”, on the provisional agendas of the governing bodies such as the Subsidiary Bodies, COP 29, 19th Session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 19) and 6th Session of the Conference of the Parties to the Paris Agreement (CMA 6).

(Paragraph 154 of the GST decision adopted in Dubai in 2023, “recognizes that Parties should cooperate on promoting a supportive and open international economic system aimed at achieving sustainable economic growth and development in all countries and thus enabling them to better to address the problems of climate change, noting that measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade”);)

Since there was no agreement to include the proposed issue on the agenda, the COP 29 Presidency decided to convene consultations among Parties to find a resolution. However, the divergences remained, and the issue could not be resolved.

Following are highlights of the interventions made by developing countries, which were shared with TWN.

Uganda for the **G77 and China** said that the rise in unilateral policies and actions in the political, economic and trade domains is a major threat to multilateralism and should be stopped. It expressed deep concern with the increase in

unilateral and protectionist measures, which run counter to the spirit and rules of the WTO, and the purposes and principles of the UN, and that such measures lead to negative impact on access of developing countries' exports to the global markets. It also said it expects developed countries to fulfill their leadership role through more ambitious mitigation targets and financial support to developing countries in line with priorities of developing countries. It also said that measures to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Referring to the "Pact for the Future", [adopted at the UN General Assembly in New York], Uganda said that all UN member states had agreed in the Pact that "States are strongly urged to refrain from promulgating and applying unilateral economic measures not in accordance with international law and the Charter of the United Nations that impede the full achievement of economic and social development, particularly in developing countries." It reaffirmed the Group's firm rejection of the imposition of laws and regulations with extraterritorial impact and all other forms of coercive economic measures, including unilateral sanctions, against developing countries and reiterated the urgent need to eliminate them immediately.

China said UMs and trade and climate nexus are important issues in discussing real cooperation to enhance ambition. It said there is need to find a "home" for the discussion on UMs in the climate process, emanating especially from the GST outcome. It also said that there has actually been an increase in the amount of trade measures that prevent the free flow of trade which impacts transition to low and zero carbon in some sectors. Such UMs have negative effects and have increased the cost of global action on climate change and therefore the issue needs to be resolved, it said further. It also said that the UNFCCC is the main channel to address the climate crisis collectively and there is a need to collaborate better with the WTO. Parties need to discuss international cooperation in the UNFCCC in the spirit of multilateralism, and called for a contact group under the COP to discuss climate and trade issues.

Bolivia for the Like-minded developing countries [LMDC] said that UMs are a matter of

critical importance for global equity, fairness, sustainability and international cooperation. Certain UMs risked undermining the aspirations of developing nations for equitable and inclusive growth, it said, adding, that unilateral trade measures, while claiming to address climate change, were exacerbating inequality, placed an undue burden on developing economies and imposed a penalty on developing countries. It also said that unilateral trade measures risks undermining the spirit of international climate agreements, such as the Paris Agreement [PA], which emphasizes the need for common but differentiated responsibilities [CBDR]. In essence, these measures can shift the responsibility for climate action disproportionately onto those who bear the least historical responsibility for global warming, further entrenching inequalities between developed and developing nations, it added. It also said that instead of imposing UMs, Parties should, instead, prioritize international cooperation for the provision of climate finance, technology transfer, and capacity-building support for developing countries.

Venezuela for the Bolivarian Alliance for the Peoples of Our America group (ALBA) said unilateral trade-restrictive measures adopted by developed countries under the guise of climate objectives represent a systemic concern with disproportionate adverse effects on developing countries and a flagrant violation of the postulates of the UN Charter, the Convention and the PA. Illegal unilateral coercive measures represent a violation of the right to development and human rights, it said, and reaffirmed that ALBA advocates a new and fair international order in which prevails international cooperation of mutual benefit, non-interference in the internal affairs of states, respect for the sovereignty and self-determination of peoples, and the lifting of all unilateral sanctions and unilateral coercive measures imposed against sovereign States.

Brazil said UMs are of systemic concern and need to be discussed under the UNFCCC. Progress in the climate regime emerges from a foundation of trust and collaborative effort and unilateralism is not the answer, it said. "No single government has the means to tackle global warming in isolation. International trade cannot serve as a tool for members to backtrack on their obligations under

the UNFCCC and shift away their historical responsibilities for climate change,” said Brazil further. Climate ambition and climate leadership require countries to take more costs and burdens for themselves, not impose them on others, it added. “If our stakeholders are frustrated with the pace of multilateralism, they will be doubly so when no meaningful process is left standing after we drain it of trust by trying to fund the climate transition with someone else’s resources. We urge all members desiring a quick breakthrough at the UNFCCC to enhance their own national pledges and, particularly, to fulfill their outstanding obligations to provide climate finance and technology transfer to developing countries,” it said. It also added that the BASIC group had not blocked the agenda adoption, in order to be constructive but that the underlying understanding of that compromise was that Parties must find the space to have constructive conversations, and come together on a way to address the nexus between climate and trade to be mutually supportive. “The WTO is looking to us for guidance; discussions there have highlighted a lack of expertise to understand how the climate provisions apply to those measures. It is our duty here to meet them halfway,” said Brazil further.

India said the BASIC Group has been cautioning against rising protectionism in the form of trade barriers from arbitrary and unjustifiable unilateral measures and that such measures discriminate against countries seeking to industrialise through export-led growth, by raising the cost of exports and getting emerging and developing economies to finance carbon transition without the flow of adequate technology and finance. If the goal is to reduce global carbon emissions, climate policies must focus on provision of concessional finance and capacity building support, with respect to both mitigation and adaptation, said India. A regime of unilateral trade-related measures on climate change, imposes the cost of the transition to low-carbon economies on developing countries. “They effectively will result in a reversal of climate finance mobilized by the developed countries. It is like asking the victim to pay for the remedy,” emphasized India further. Trade measures related to climate change need to be assessed on their potential impact on equitable and just transitions, in the context of sustainable development and efforts to eradicate poverty, it said further. UMs

violate the principles of equity and CBDR-RC and the UNFCCC provisions. “It is not a surprise that we have Article 3.5 in the Convention, that has also been reiterated in paragraph 154 in the GST decision last year. We see today that there is a need for discussion on UMs invoking these provisions,” elaborated India.

South Africa said unilateral climate action with negative cross border impacts, especially trade impacts, impacted developing countries’ ability to respond to climate change, implement commitments under the PA, as well as address socio-economic goals. “We have bilaterally and on multilateral forums called on those Parties designing or implementing UMs which have negative cross-border impacts to reconsider the implementation of these policies, heed our call for designing policies by doing impact assessment reports and finding other solutions,” it said further. It had called on such Parties to consider the fulfilment of their other obligations under the PA instead of creating punitive, coercive and discriminatory policies outside of scope of the principle of equity and CBDR-RC.

In a veiled reference to the EU’s CBAM, South Africa said a study by the London School of Economics had found that its impact would devastate the GDP of the African continent by 0.91% (equivalent to a fall of USD25 billion at 2021 levels of GDP). “This is an unbearable loss to the economic development of my continent and will create lost lasting further challenges to our people. Also, some studies have pointed out, the solution some UMs are trying to solve (such as carbon leakage), is an issue that no evidence exists for, but rather is an arbitrary conclusion,” said South Africa. It further stressed that UMs speak to climate action and they are climate action policy responses.

To developed countries assertion that the WTO is the only forum to discuss the issue, South Africa said the assumption is incorrect, and that should mean issues like finance and human rights should be discussed in their respective fora and not in the UNFCCC. It further exposed the hypocrisy of developed countries who, on UMs, say at the WTO that climate matters belong at the UNFCCC. It also stressed that climate change is not a specified siloed issue and must not therefore be treated such.

Egypt said the discussion of UMs is of much importance and relevance to the climate change process. It said it sees such measures as a form of “green protectionism”, using environmental regulations to mask what could very well be trade barriers which favour domestic industries. “This would most likely unfairly disadvantage our exports particularly within sectors which lack the necessary resources and capacities to decarbonize at the required pace,” it said further. It also said that many developing country sectors rely on carbon intensive industries and while they are committed to decarbonizing, this should be done at a nationally determined pace which in turn would be affected by the availability of resources. UMs not only raise export costs and potentially hinder developing countries’ economies and decrease competitiveness of their exports, but such measures also most likely exacerbate global economic inequality since wealthier nations have the necessary resources and can afford the cleaner technologies. Implementation of such measures, as presented thus far, demands the availability of extensive data on carbon intensity of exported products, which poses multiple challenges, not to mention the cost of verification. Smaller businesses in particular will be hit hardest as they lack the resources to accurately report their emissions, the statement read. Furthermore, the efficacy of such measures in reducing global emissions is rather questionable, as they only address imports and not emissions produced within countries imposing them. Without addressing domestic emissions these measures could distract attention from the need for more comprehensive policies, it added. Egypt also called for good will and cooperation and not more division and said UMs are likely to be perceived as coercive and even punitive, which would undermine trust in the climate negotiations and risk alienating developing countries who are already under-resourced and struggling to find the necessary resources to contribute to climate action. It also said that such measures could potentially impose an unfair burden on countries already struggling to meet their legitimate development and eradication of poverty objectives.

According to sources, the **EU** expressed concerns

on the way the agenda item was framed, which implied that the UNFCCC would attempt to resolve issues that are outside of the Convention and may influence policies of countries. It responded to criticism over specific EU policies and said it does not recognize such critiques because when the EU designs policies that may have a spill over to other areas, it follows the principles that are in the WTO and implements those principles. It also referred to the Response Measures forum and added that it looked forward to deepening conversations there, especially on impact assessment of specific policies.

According to sources, the **United States (US)** said that the matter of UMs has been adjudicated in the WTO, which has the mandate and expertise to understand it, and is the right forum to address it.

Sources also said that **Switzerland, Canada, the United Kingdom, New Zealand and Australia** were opposed to having any discussion on UMs in the UNFCCC and said that the WTO is the right forum to address the issue.

UAE DIALOGUE ON GLOBAL STOCKTAKE OUTCOMES

Meanwhile, under the UAE dialogue on the global stocktake paragraph 97, following intense negotiations, the COP 29 Presidency presented a compromise proposal which appears to accommodate the BASIC call.

In the final decision text, there was a paragraph which requested the “the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to hold, at their sixty-second sessions (June 2025), a round table on the nexus between trade and climate change;”

However, this proposed decision text was not adopted, due to objections from many countries on the UAE dialogue decision as a whole. [Further details to follow on the UAE Dialogue].