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## **CoP24 Side Event**

### ***Economic Diversification as a channel for low carbon development and green growth"***

4<sup>th</sup> Dec - 13:15-14:45

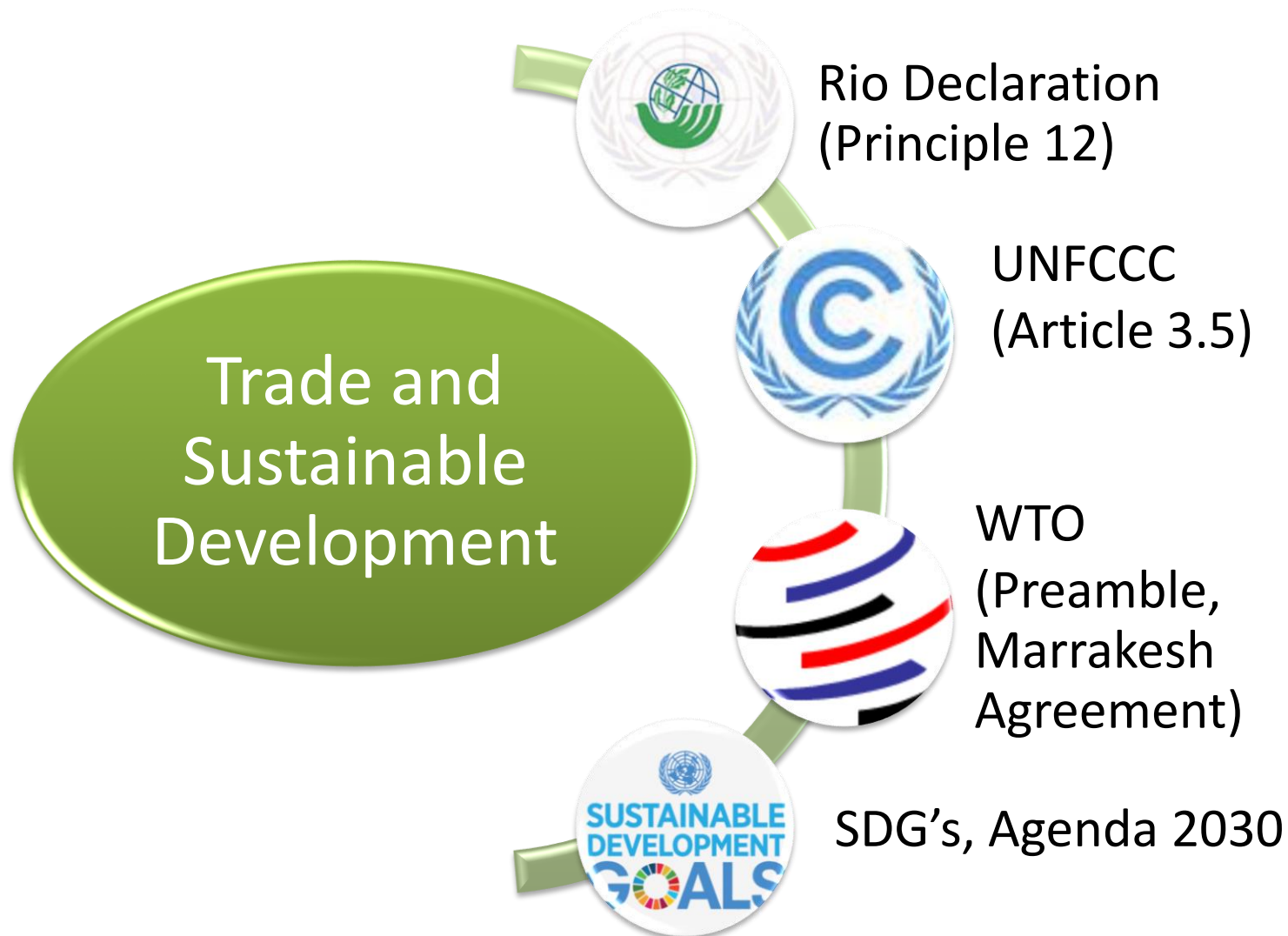
# **WTO, TRADE & CLIMATE CHANGE ACTION**

## **MAKING TRADE WORK FOR ENVIRONMENT, PROSPERITY AND RESILIENCE**

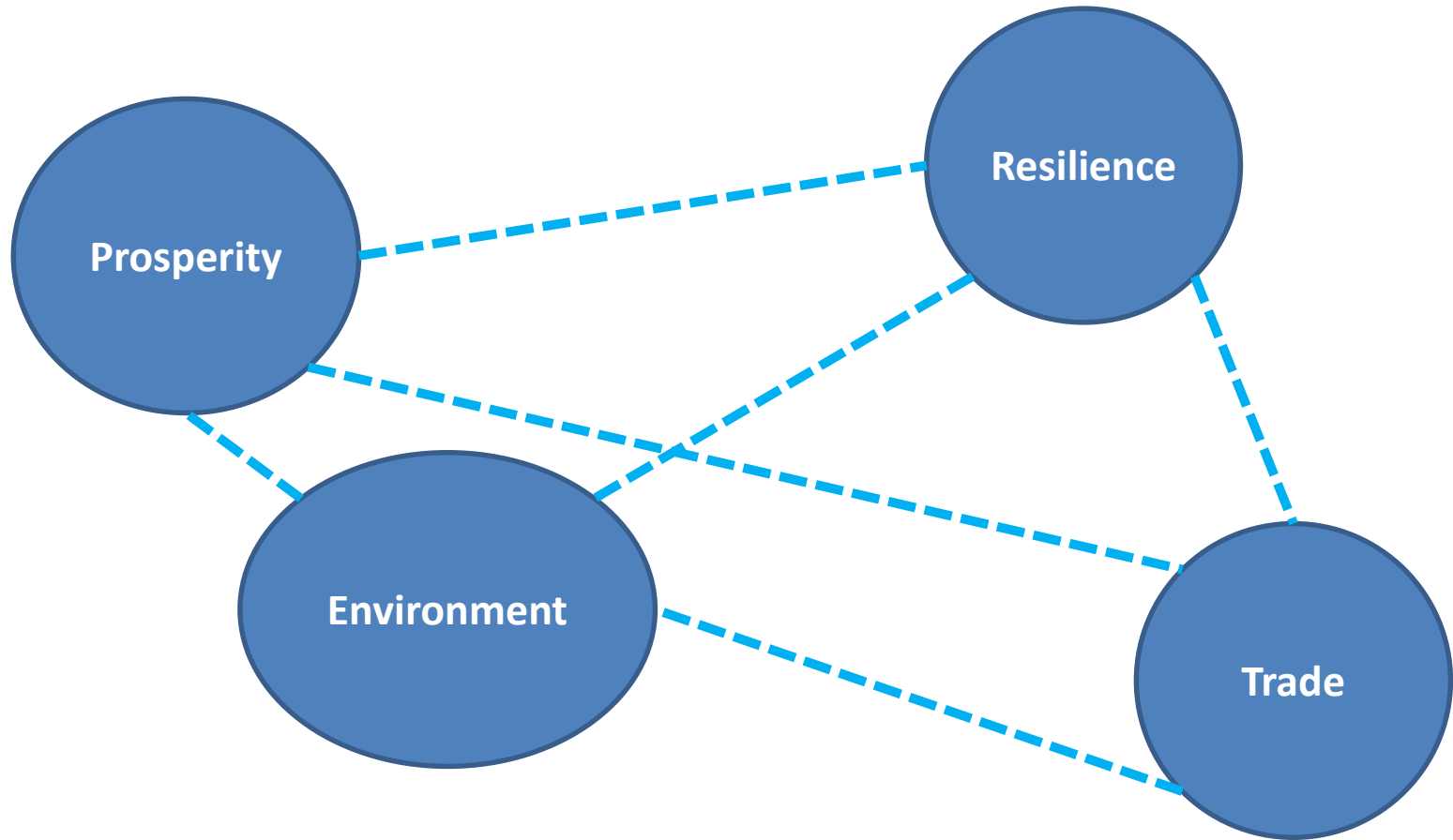
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# MUTUAL SUPPORTIVENESS OF ENVIRONMENTAL PROTECTION AND TRADE



# CONNECTING THE DOTS



# High-Level Dialogue on Trade and Environment



January 2018: **WTO Director-General** and **UN Environment Executive Director** announce their commitment to strengthen cooperation between their organizations.

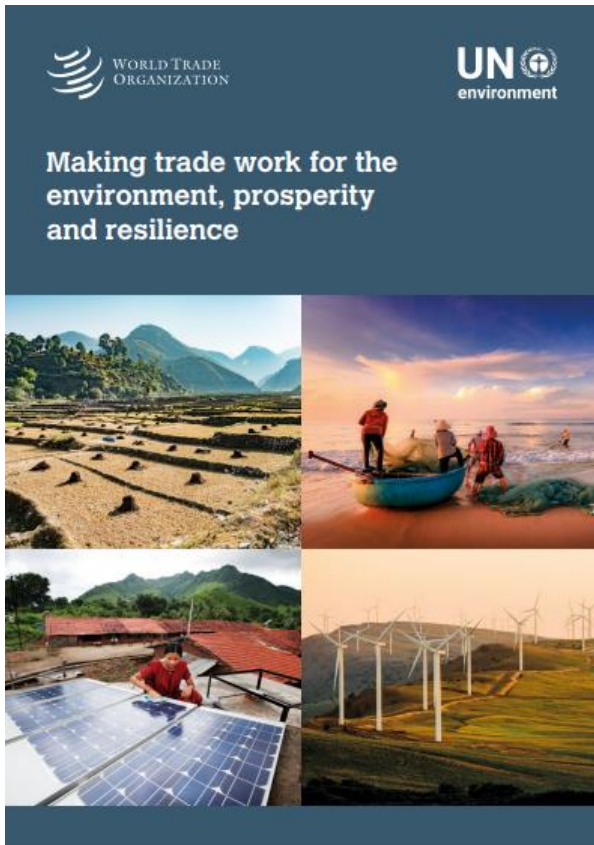
The purpose is to facilitate a **dialogue among stakeholders** on ways to ensure that trade and environmental policies work in tandem.



The **publication**, along with a **high-level leadership dialogue** and a **sustainability exhibition** held during the 2018 WTO Public Forum, kick-started this work

More info on the Leadership dialogue held on 2 Oct 2018 at:

[https://www.wto.org/english/news\\_e/news18\\_e/envir\\_03oct18\\_e.htm](https://www.wto.org/english/news_e/news18_e/envir_03oct18_e.htm)



# MAKING TRADE WORK FOR THE ENVIRONMENT, PROSPERITY AND RESILIENCE

Publication available at:

[https://www.wto.org/english/res\\_e/publications\\_e/unereport2018\\_e.htm](https://www.wto.org/english/res_e/publications_e/unereport2018_e.htm)



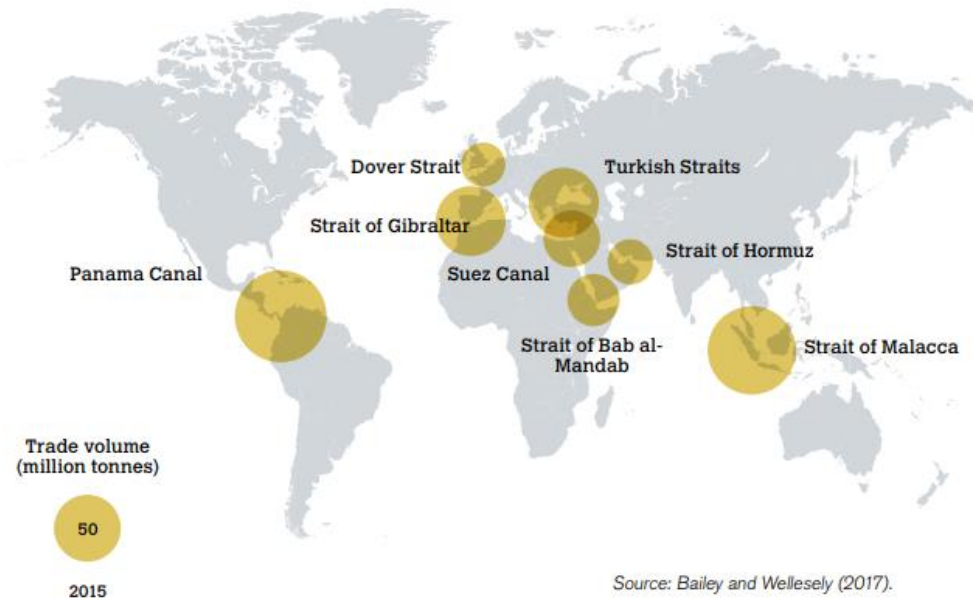
# CONNECTING THE DOTS



- Rapid **cost reduction** in solar and wind power since 2009:
  - 75% for solar
  - 30% for wind
- Driven partly by **trade-led specialization, competition, economies of scale** and **innovation**

➡ Win for **jobs, electricity access, health** and the **environment**

# CONNECTING THE DOTS



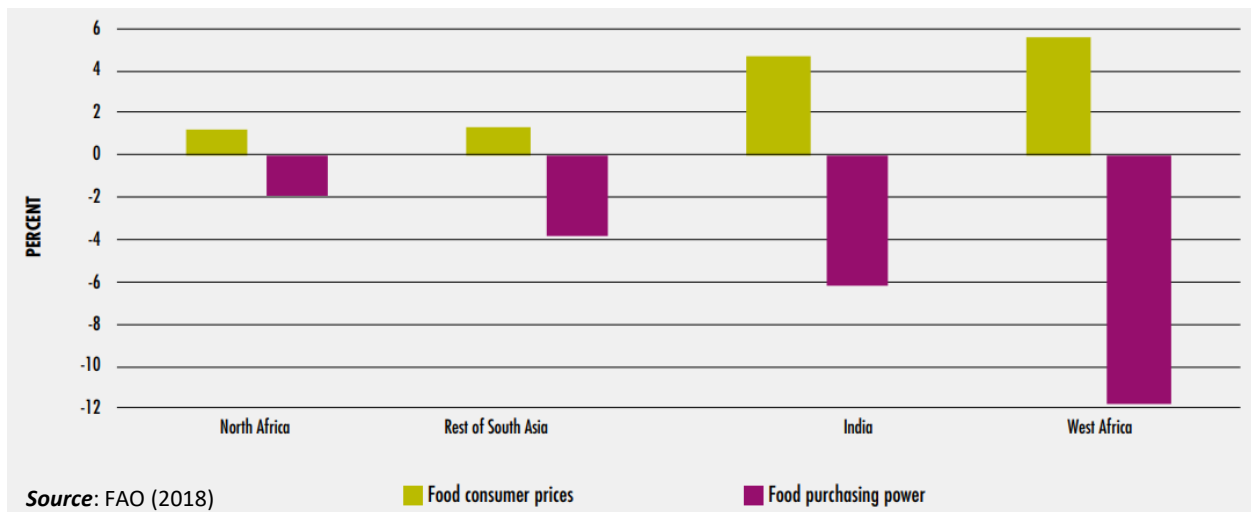
Some **50%** of globally traded grains pass through at least one of **14** “chokepoints”



Climate change can undermine the role of trade as a driver of well-being

# OPPORTUNITIES

CHANGES IN FOOD PRICES AND PURCHASING POWER IN 2050:  
CLIMATE CHANGE SCENARIO RELATIVE TO BASELINE



The increase in climate-driven malnutrition is less severe in an integrated world economy

➡ Trade promotes a more efficient allocation of resources globally and can help cushion the impact of environmental shocks

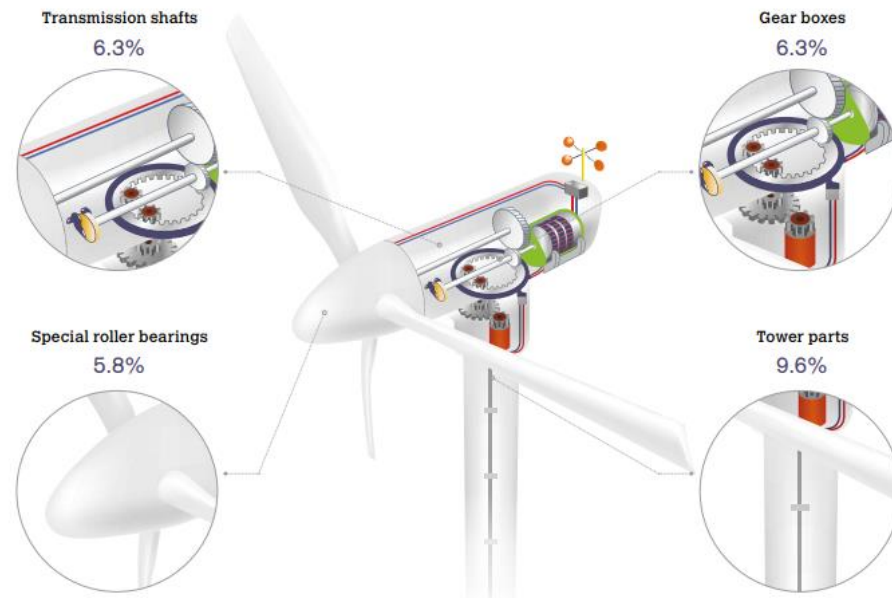
*“International trade could play a particularly important role in adaptation efforts, contributing towards food security in many countries.”*



# OPPORTUNITIES

- Eliminating trade barriers would result in some countries importing:
  - **63%** more energy-efficient lighting
  - **23%** more wind power equipment
  - **14%** more solar power equipment

MFN APPLIED TARIFF RATES ON WIND TURBINE PARTS



Trade accelerates the dissemination and reduces the cost of environmental solutions around the world



Trade in Global value chains improve productivity, lower costs  
Important to focus trade opening efforts on the entire value chain, including services linked to environmental goods

# OPPORTUNITIES

- Markets for **sustainable products** are expanding:
  - Global **organic food market** has more than quadrupled over the past 15 years (to \$82 billion)
  - Proliferation of **certification and labelling schemes**



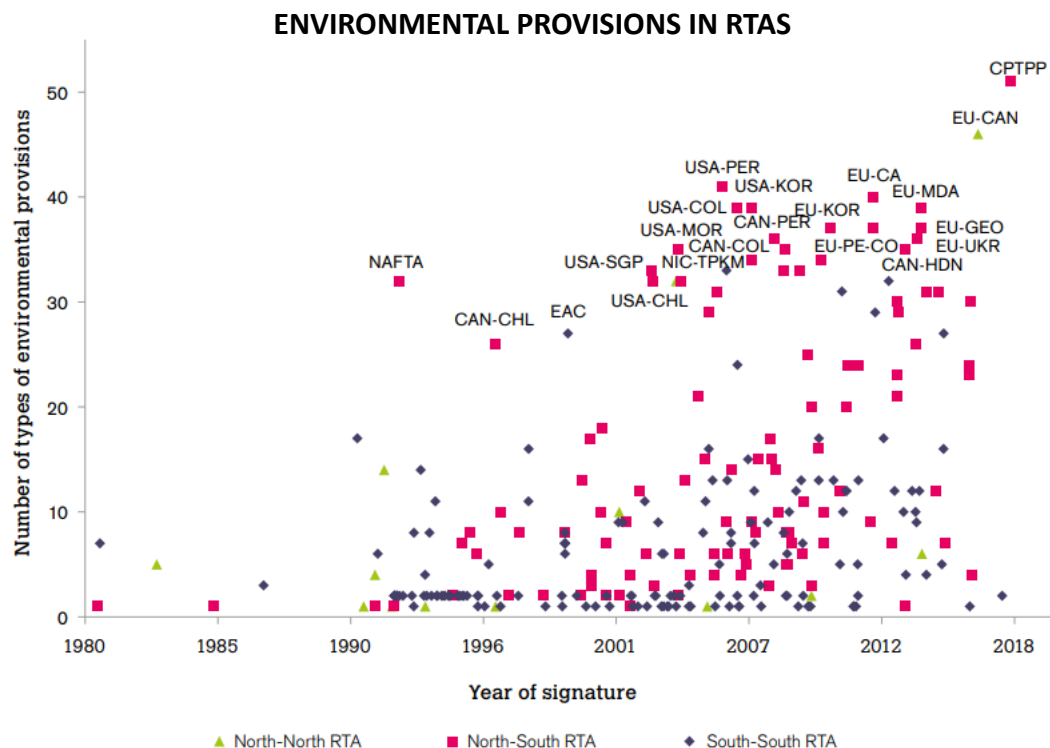
By connecting producers with the growing demand for sustainable products, trade can:

- Strengthen the incentives to shift to more **sustainable production**
- Open **export opportunities** for developing countries
- **Diversify** markets and products
- Challenges related to **certification and quality infrastructure**

# THE NEED FOR COHERENT AND FIT-FOR-PURPOSE POLICIES

- No single blueprint
- **Sound environmental policies, functioning markets and effective institutions** are needed for trade to deliver benefits
  - Includes policies to reduce the environmental impact of trade (e.g., carbon emissions from freight transport)
- **Sound environmental policies** are not inherently incompatible with an **open trading system**
  - On the contrary, such policies can boost demand for innovative green solutions and exports of green goods and services

## IN PRACTICE, TRADE AND ENVIRONMENTAL POLICIES ARE INCREASINGLY INTERTWINED



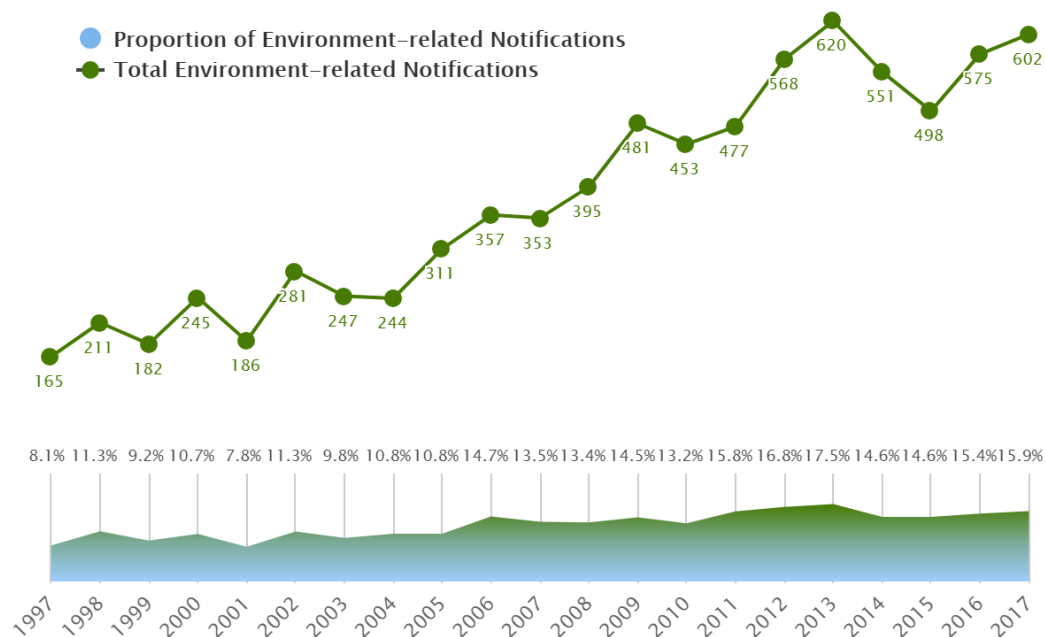
Environmental provisions in RTAs are increasing and becoming more specific

Publication available at:

[https://www.wto.org/english/res\\_e/reser\\_e/ersd201613\\_e.htm](https://www.wto.org/english/res_e/reser_e/ersd201613_e.htm)

# THE GROWING INTERFACE BETWEEN TRADE AND ENVIRONMENTAL POLICIES IS ALSO VISIBLE AT THE WTO

## ENVIRONMENT-RELATED NOTIFICATIONS TO THE WTO



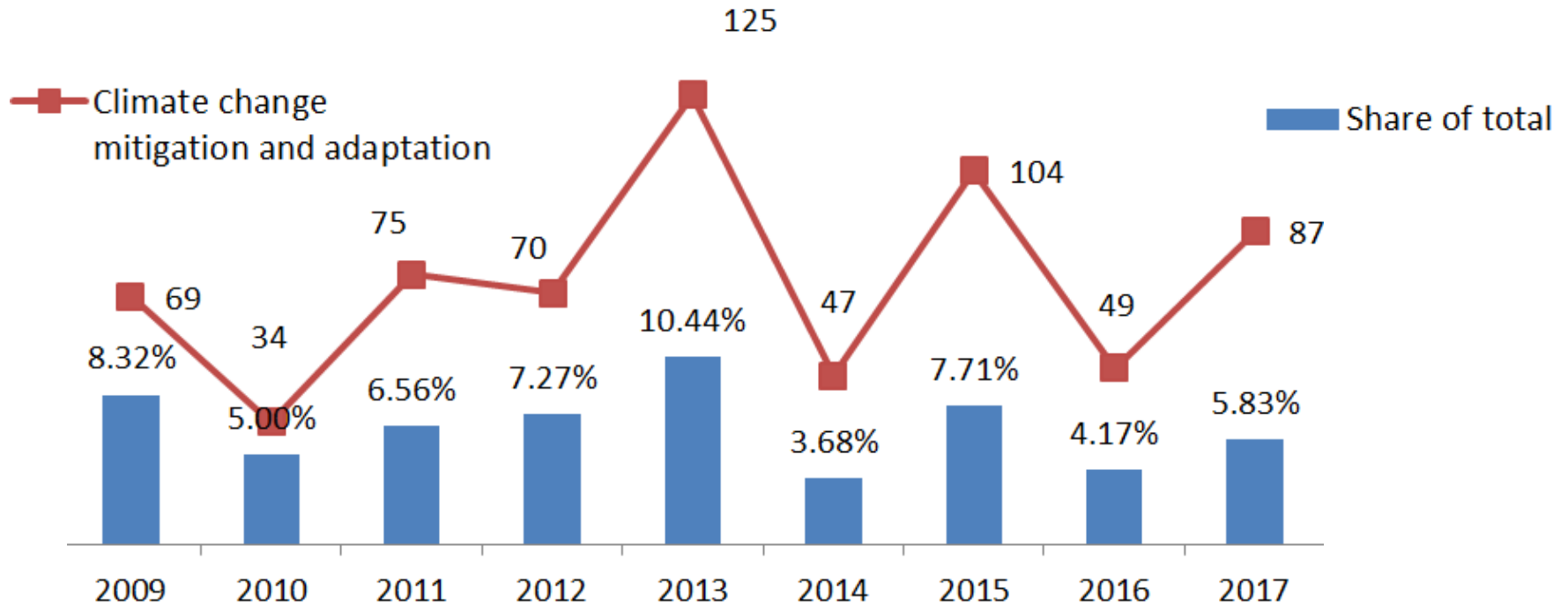
About **1 in 6** notifications to the WTO are related to the environment

Environmental Database (EDB) available at:

[www.wto.org/edb](http://www.wto.org/edb)

# 660

is the total number of trade-related climate change measures notified to the WTO since 2009



- ☰ If we also consider climate change-related measures (*clustering*) – around 38% of the environment-related measures notified to the WTO are adopted for climate action purposes (total of 3505)...



# THE WTO PROMOTES COOPERATION FOR MORE SUSTAINABLE TRADE



**Sustainable development** is a guiding principle under the WTO's founding charter

WTO members have a **dedicated forum** to discuss the interaction between trade and the environment



**WTO rules** promote stability and predictability; they leave ample room for the achievement of environmental goals

# THE WTO PROMOTES COOPERATION FOR MORE SUSTAINABLE TRADE



The WTO provides a **forum for negotiations** to deliver additional benefits for trade and the environment

The WTO works with key partners to help **developing countries** use trade more effectively to achieve sustainable development



## 6 AREAS FOR COORDINATED ACTION



1. Tackle environmental challenges
2. Pursue trade approaches that strengthen sustainability, prosperity and resilience simultaneously
3. Encourage trade and environment officials to collaborate more
4. Foster public-private partnerships to identify trade opportunities in emerging green sectors
5. Strengthen the capacity of the poorest countries to seize those trade opportunities
6. Raise awareness about the role of trade in sustainability, prosperity and resilience

AID FOR TRADE GLOBAL REVIEW 2019

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2 NOVEMBER 2018

# Aid for Trade Global Review 2019 to examine economic diversification and empowerment

The next Global Review of Aid for Trade will take place from 3 to 5 July 2019 at the WTO under the theme “Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development through Aid for Trade”. Proposals to organize sessions at the event may be submitted up to 31 March 2019.

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# TECHNICAL ASSISTANCE?



From the WTO?

- Right to ask for national technical assistance activities



From Members?

- Example of the TBT Agreement.



**THANK YOU FOR  
YOUR ATTENTION !**



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