Trade and Climate Change: Challenges and Opportunities for Small Developing Countries, LDCs, and Countries in Sub-Saharan Africa

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Speaking notes, Ms Durant, Deputy Secretary-General of UNCTAD

Mitigation vs. adaptation

Countries commitments under the Paris Climate Change Agreement, the so-called NDCs or Nationally Determined Contributions (NDCs) still focus to a considerable extent on mitigation of GHG emissions, rather than adaptation to climate change impacts. In part, this is due to gaps in understanding as to the diverse impacts of climate variability and change on different sectors of our economies. Therefore, there is a need for (i) more evidence-based information on climate change impacts, (ii) the economic implications of inaction and (iii) relevant adaptation needs for different economic sectors. These relevant information and analysis must be shared with countries to inform the process of preparing the next round of NDCs. Together with other partner such as the Commonwealth, the UN System can play an important role in this regard.

Our common challenge is about shifting negotiations to a global perspective and away from entrenched national self-interest. The negotiations calculus, at least for large emitters, continues to focus on the costs of mitigation, rather than avoided impacts and/or the climate change impacts upon those most vulnerable. This is even more evident since the adoption of the pledge and review system in the Paris Agreement, since key countries can use their discretion on GHG reductions and the degree of compliance.

There is relatively less attention given to adaptation efforts and climate vulnerability. Already in its 4th assessment report (2007), the IPCC called to determine key vulnerabilities that may be significant enough to constitute, individually or in combination, DAI [Dangerous Anthropogenic Interference]. As a result, today key vulnerabilities are one of the cross-cutting themes. The key question is not so much about mitigation or adaptation as it is how much of climate change can (and should) be accepted? How much climate change can be endured? Still, mitigation and adaptation are considered in separate spheres or more recently as “two sides to the same coin.” And much of policy remains based on mitigation - that is, regulating GHG emissions at the national scale. And this becomes an economic question—how much of climate mitigation can be afforded?

As far NDCs are concerned, clearly they mean big changes for the trading partners as the effects of those commitments start playing out in markets and investment patterns around the world. At the same time, trade may help countries implement their NDCs and scale up climate action - after all, trade has an enormous cooperation potential! However, trade is a missing element in devising, deploying and ratcheting up NDCs. UNCTAD tend to see this as a problem area and is trying to help interested Parties to overcome this problem in in their deliberations.

Recent natural disasters have called attention to the notion that climate change has made weather events much more frequent and severe. Many have pointed out that no one is safe, that we all are responsible for taking action.

Another area where UNCTAD has been focusing attention since 2008 is the importance of climate change adaptation and resilience building for seaports and other coastal infrastructure. UNCTAD’s work has been cited in several chapters of the 5th Assessment Report of the IPCC WG II Report in 2014, in the Climate Change Policy Framework for Jamaica in 2015 and has contributed to the Regional Climate Change Adaptation Framework for the Mediterranean Marine and Coastal Areas, endorsed by the Parties to the Barcelona Convention at their COP 19 in 2016.

With 80 percent of global trade carried by sea, international shipping and ports provide crucial linkages in global supply-chains and are essential for the ability of all countries to access global markets. Ports are likely to be affected directly and indirectly by climatic changes, with broader implications for international trade and for the development prospects of the most vulnerable nations, in particular LDCs and SIDS. Given the potential economic implications of climate-related damage, disruption and delay, building the climate-resilience of global ports is of strategic economic importance. For SIDS - often particularly exposed and vulnerable to the impacts of climatic factors and extreme events - ports and coastal airports are lifelines for external trade, food, energy and tourism. Enhanced climate resilience and climate change adaptation for key coastal transport infrastructure is
therefore critical for their overall sustainable development prospects. The preliminary results of our project in the Caribbean suggest that in Saint Lucia, all international transportation assets are vulnerable to marine flooding under extreme events and different climate change scenarios; in Jamaica, the main seaport in Kingston and one of the major airports, accounting for 70 percent of tourist arrivals, also appear to be vulnerable. Based on a case-study approach, the project aims to develop a transferable methodology for assessing climate-related risk and vulnerability with a view to identifying effective adaptation options.