



Briefing session

Climate Change, SDGs and Trade: At the crossroads of sustainable development

UNCTAD informal briefing
10:00 to 13:00, 10 February 2015
Palais des Nations - Room XXVI
Geneva, Switzerland

I. Objectives

Three major negotiations involving climate change, SDGs and trade will mark the 2015 development agenda: (i) the climate negotiations, which will culminate in the summit in Paris, in December 2015, (ii) the intergovernmental negotiations on post-2015 development agenda, and (iii) the Doha Round negotiations in the WTO. While distinctly different, all these negotiating tracks share a number of important policy "markers" with sustainable development. In all three, it can be argued that trade serves as an enabler in the long run, making sure the implementation of any eventual agreement is inclusive within across countries. UNCTAD's role will be affected by the outcomes of these negotiations as well as that of its 14th conference in Lima in 2016.

II. Background

UNFCCC negotiations: state of play

The Lima Call for Climate Action is an important departure from the past two decades of climate policy, which had suffered from a limited coverage of only a small subset of mainly industrialized countries. Together with the new architecture combining bottom-up Intended Nationally Determined Contributions (INDCs) with top-down procedures for reporting and synthesis of contributions by the UNFCCC Secretariat – it represents significant progress towards a climate regime that is truly meaningful.

The [joint announcement](#) in November 2014 by the US and China - under the future Paris agreement - provided the necessary inducement for advancing negotiations. The announced USA-China INDCs expand the coverage from the 14 percent of global CO₂ emissions covered by Annex I countries in the Kyoto Protocol's commitment period to more than 50% of global CO₂ emissions, with Europe already included. As the other large, emerging economies – India, Brazil, Korea, South Africa, Mexico, and Indonesia - announce their INDCs, one can reasonably expect the coverage to reach 80 to 90 percent.

The eventual 2015 Paris Agreement seems set for a change from the Kyoto Protocol, with its limited scope and high ambition to a regime based on broad participation, even if the ambition is relatively low at the initial stage. This is all the more important given the *stock* nature of the climate change problem and, consequently the paramount significance of long-term action.

Climate policies and SDGs

As the climate regime pursues a post-Kyoto agenda, the question is, how this agenda, fixed to a temperature threshold of +2° C, fits into sustainable development goals. After all, climate change is not about environmental degradation per se, but has to do with unsustainable drivers of development.

Aligning climate policies with sustainable development goals may provide the long-term trajectory, which may prove more important in pursuing effective climate policy than short-term national emission targets.

The post-2015 Development Agenda addresses, among other things, climate change, its drivers and consequences. Thus, SDG 13 calls for urgent action to combat climate change and its impacts. SDG 7 calls for ensuring access to affordable, reliable, sustainable and modern energy for all. The pending problems are recognized in target 13.a, which calls for the implementation of developed countries commitment to mobilizing US\$100bn annually by 2020 to address the needs of developing countries and make operational the Green Climate Fund. Target 13b talks to raising capacities for effective climate change related planning and management in LDCs.

Pursuing climate policies in the context of sustainable development will require policy coherence and changes in various economic activities - energy generation, agriculture, land-use, transport, services, etc. However, it is shifting to a cleaner energy mix that is going to be essential. Markets would need to be strengthened so as to allow for a scale-up of innovation, production, and deployment of sustainable energy technologies.

Climate policies and trade

Parallel to the development on the climate change front, the trade regime is also evolving. Purely commercial considerations are now only part of the trade policy equation, with much more emphasis being placed on the public policy aim. In the context of climate change, this implies more favourable consideration of non-trade concerns relating to environmental and natural resource management and health. Importantly, in assessing the legitimacy of trade-related policies and measures taken on public policy grounds, developmental considerations are increasingly taken into account.

One of the biggest challenges is transferring climate relevant innovations from market to market. Bringing down the barriers to trade in energy efficient goods and goods used in conjunction with renewable energy sources accelerate and bring greater clarity to the technology transfer agenda within the UNFCCC. These and other climate positive goods have drawn particular attention in the WTO negotiations on environmental goods conducted under the mandate provided for in paragraph 31(iii) of the Doha Ministerial Declaration. These negotiations are now being pursued on a pluri-lateral basis.

There are other ways trade policy can help incentivize good environmental and climate policy, at home and abroad. Through trade preferences some countries offer lower tariff rates to developing countries that have ratified and implemented environmental agreements. FTA negotiations are also being used to encourage climate change goals as participating countries prioritize liberalization of environmental goods and ask for commitments on sustainable management of natural resources.

III. The briefing session by UNCTAD

In the light of the above issues, and in view of the Durban Platform for Enhanced Action (ADP) negotiations taking place in Geneva, a briefing session will be held on February 10, 2015 by UNCTAD to inform delegations about these issues, their linkages and possible impact on the environment, trade and development.

IV. Provisional Agenda.

10:00 - 11:00 Key note addresses

Mr. Guillermo Valles, Director, Division for International trade in Goods and Services, and Commodities
UNCTAD

Ms. Karen Smith, Senior Member of Negotiations Support team, UNFCCC

Mr. David Shark, Deputy Director-General, WTO

11:00 - 13:00: "Davos-type" interactive debate

Mr. Mark Halle, IISD

Mr. Vicente Yu, Coordinator, Global Governance for Development Programme, South Centre

Mr. Jacob Werksman, Lead Climate Negotiator, European Commission

Ms. Helga Vanthournout, McKinsey Global Institute, Geneva

Ms. Mere Falemaka, Permanent Representative of the Pacific Islands Forum to the WTO.