

Mapping trade-related measures in NDCs

Briefing on key issues in the trade and environment nexus

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Nationally Determined Contributions

- “Each Party shall prepare, communicate and maintain successive nationally determined contributions that it intends to achieve” (UNFCCC, 2023a)
- NDCs:
 - Greenhouse gas emissions (GHG) reduction goals
 - List of adaptation and mitigation measures (including measures that pursue economic diversification outcomes).
 - Updated every 5 years.
 - Global stocktake COP28. Next update in 2025.
- Trade policy actions can be effective tools on the ground to achieve climate targets.

Mapping trade-related measures in NDCs: Methodology

- 60 developing countries (inclusion of a broad range of countries) in terms of:
 - Regional representation
 - Income level
 - LDCs, SIDS, landlocked countries, commodity dependence
- Mapping of measures that interact with trade
- New or updated submissions as of 30 September 2023.

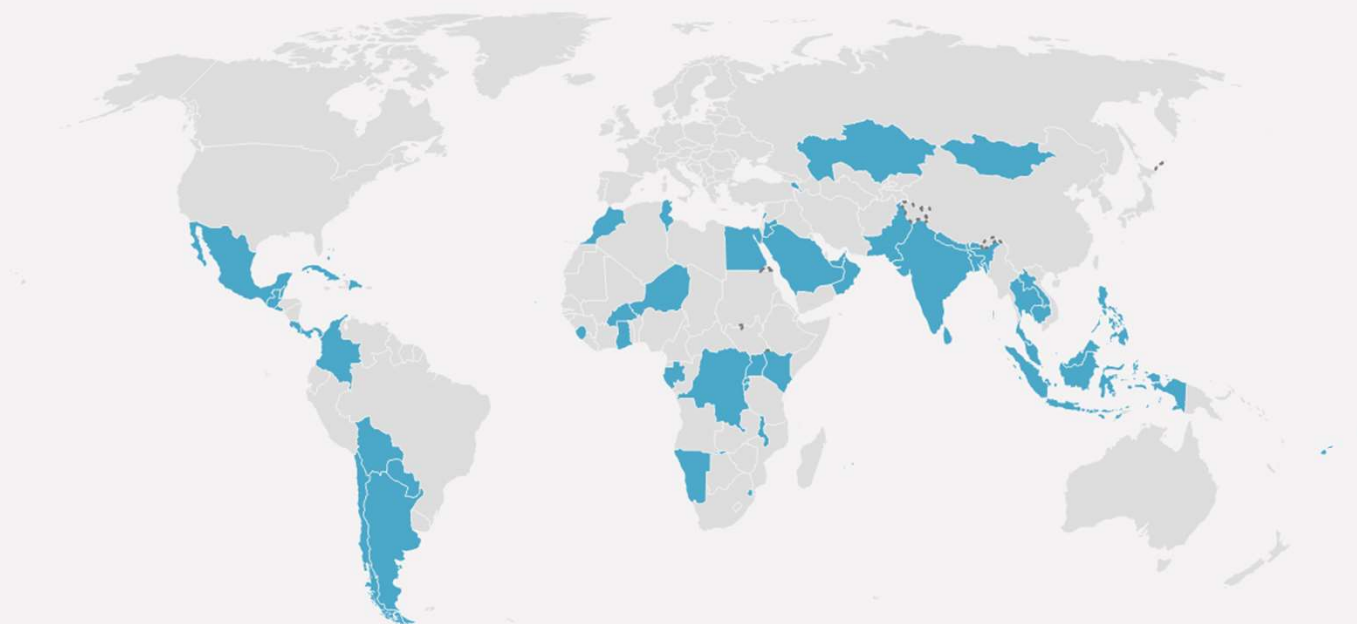
Limitations

- Selected number of countries. Not a comprehensive mapping.
- Large range of types of NDCs (format, availability, information and scope, etc). Thus, the qualitative analysis focused on identifying trade-related measures.
- Different versions of NDCs (updated first submissions, second and third submissions)
- Different advancement and scope in submissions
- Limited information on implementation strategies or conditionality of measures
- Language



UNITED NATIONS
UNCTAD

NDCs considered in the analysis



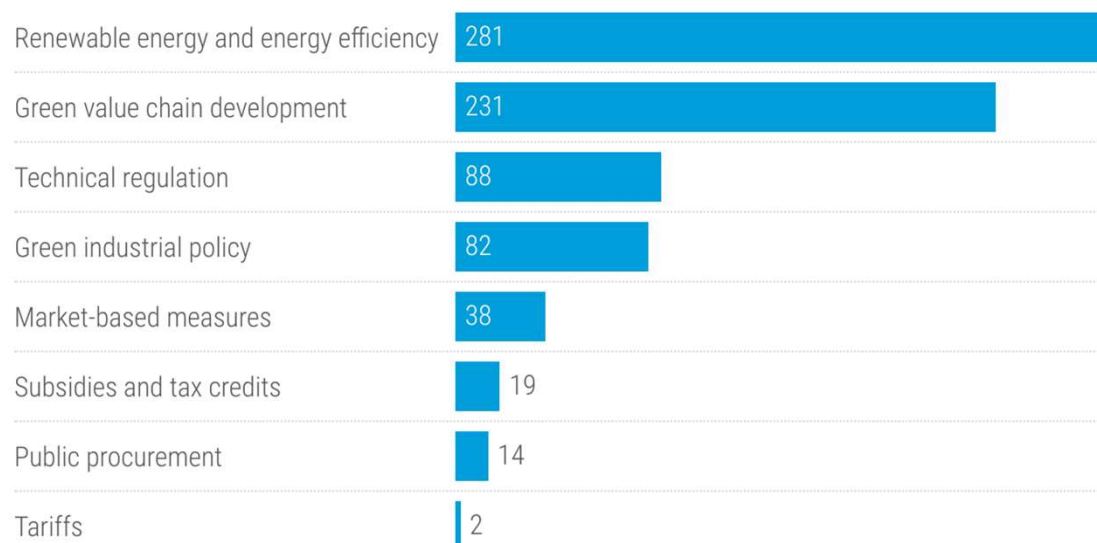
Findings

- 680 trade-related measures
- Direct and indirect linkages to trade
- Most of the measures are focused on:
 - increasing renewable energy
 - enhancing energy efficiency
 - and promoting green value chains.



Trade-related climate measures target mostly energy and green value chains

Number of measures per category found in Nationally Determined Contributions of 60 developing countries, 2023



Note: Measures could appear in more than one category. A Nationally Determined Contribution is a climate action plan to cut emissions and adapt to climate impacts. Each Party to the Paris Agreement is required to establish an NDC and update it every five years.

Source: UNCTAD



Examples of measures linked to renewable energy and energy efficiency

Table 1: Examples of NDC measures linked to renewable energy and energy efficiency

Country	Measures	Potential trade impact
Burkina Faso	Construction of solar PV sites in Essakane, Matourkou, Dori, Diapaga, and Gaoua to increase electricity production to 85 MW.	Import solar PV equipment
Morocco	Installation of several wind power plants on several sites for a total capacity equivalent to 2180 MW by 2030.	Import of relevant inputs for windmills installations
Bangladesh	Use energy-efficient appliances in household and commercial buildings (achieve 5 per cent and 12 per cent reduction in emission respectively).	Implementation of technical regulations
Cuba	The installation of 15,250,000 LED lamps in the residential and public sectors.	Increased LED imports
Bahamas	Develop incentives to encourage the purchase of electric vehicles. Installation of charging stations for electric vehicles.	Increased import of electric vehicles and charging stations for electric vehicles
Namibia	10,000 Electric vehicles - replacing gasoline.	Import of electric vehicles

Examples of measures linked to green value chain development

Table 2: Examples of selected NDC trade related measures associated with green value chain development

Country	Measures	Potential trade impact
Malawi	Establish grain export processing zones and develop resilient value chains.	Increased export of processed low-carbon grain products
Mauritius	Tourism: i) promotion of a “green tourism industry” meaning more energy efficiency, renewable energy, water efficiency, waste management, wastewater treatment, local – short value chains for both the touristic / leisure infrastructures and the activities.	Lower carbon footprint of the tourism sector (tourism is considered as an export of services)
Bolivia (Plurinational State of)	Double the areas under integrated and sustainable forest management by 2030. In particular, the need to access international markets for products derived from integrated and sustainable forest management is considered important.	Increased export of sustainable non-timber forest products

Examples related to circular economy

Table 3: Examples of NDC trade-related measures to promote circular economy practices

Country	Measures	Potential trade impact
Cabo Verde	Encourage manufacturers and businesses, through fiscal incentives and capacity development, to design circular products and services based on resources recovery, biodegradability, and the true production costs, including environmental costs. Products which are simple, low-energy, easy to repair, and passive should be favoured. This measure will be stimulated by adopting tariff and tax solutions that favour local producers and companies as opposed to international providers and accompanied by the setting of indicators to monitor achievement. A flagship local product which can substitute imports is salt.	Increase in exports of sustainably produced manufactured goods and decrease in import of non-circular and less carbon efficient imports.
Costa Rica	In the year 2025, the country will promote a comprehensive circular economy system for agricultural farms, taking into consideration the processes of biodigestion and soil decarbonization through the use of technologies to increase organic carbon levels in the soil (SOC), among other measures.	Increase in low carbon agricultural exports.
Mexico	National Circular Economy Strategy, as well as programs and incentives for energy efficiency, considering both regulatory programs and the promotion of efficient cogeneration in industry, services, and commerce sectors, including sugar mills.	Lower carbon footprint of industrial and service exports.
Uganda	Clinker ^a substitution in cement production. This measure aims to substitute clinker in cement production with less carbon-intensive constituents like pozzolana, fly-ash or slag. This measure has the potential to reduce emissions by approximately 0.10 Mt CO ₂ e (CO ₂ equivalent) by 2030.	Lower carbon footprint of cement.

Examples of measures linked to green industrial development and diversification

Table 4: Examples of NDC measures aimed at promoting green industrial development and diversification

Country	Measures	Potential trade impact
Costa Rica	Development of a strategy for the development and promotion of green hydrogen.	Exports of green hydrogen.
Morocco	Energy efficiency program for industry. Reduction in energy consumption in the industrial sector by 17 per cent by 2030.	A lower carbon footprint of industrial products may increase carbon competitiveness and exports.
Chile	Hydrogen (cargo transportation, motor uses in industry and mining, thermal use via gas distribution pipe).	Exports of green hydrogen.

Examples of measures linked to technical regulations

Table 5: Selected technical regulations identified in the NDC mapping exercise

Country	Measures	Potential trade impact
Namibia	<p>Namibia aims to introduce climate-friendly and energy-efficient appliances through (...) a ban on high GWP11 equipment and the introduction of minimum energy performance standards (MEPS) that generate emission reductions, both from the use of refrigerants (direct emissions) and from low energy consumption (indirect emissions).</p> <p>(To prevent lock-in of highly climate-damaging HFC12 refrigerants in the time between now and the first Kigali Amendment phase-down step in 2029)</p>	Imports of non-climate friendly and energy inefficient appliances in Namibia will be restricted.
Colombia	Implementation of Euro 4 and 6 emission standards for new diesel vehicles.	Only vehicles meeting required emission standards will be imported to Colombia.
United Arab Emirates	Energy efficiency standardization and labelling program (...) covering a range of household goods and appliances (including washing machines, dryers, refrigerators, water heaters, lighting fixtures, and air conditioners), to drive energy efficiency and enable households to make informed decisions.	Access to United Arab Emirates market restricted for household goods and appliances not meeting required energy efficiency requirement. Mandatory energy efficiency-related labelling requirements applied to imported appliance to inform consumer choices likely resulting in more favourable market condition for energy efficient goods.
Gabon	A forthcoming regulation must have the capacity to restrict the importation of incandescent lamps in favour of LED and compact fluorescent lamps. This entails providing 9 million low-energy lamps to households, along with 35 000 compact air conditioning units.	Restriction of incandescent lamp and increase in LED and compact fluorescent lamps import.

Market-based measures

Table 6: Selected examples of REDD+ measures identified in the NDCs studied

Country	Measures	Potential trade impact
Uganda	Sustainable Land Use Management and Agro-forestry (land use management practices, the 40 million-tree campaign and REDD+ strategic interventions).	Sale of carbon credits on international markets and possibility of an increase in exports of sustainably produced agricultural commodities from Uganda.
Burkina Faso	Cashew development support project in the Comoé basin	Increased exports of cashews and sale of carbon credits on international markets.
Colombia	sión Amazonía	International trade in carbon credits

Table 7: Selected examples of carbon price mechanisms as part of market-based measures

Country	Measures
Colombia	National Programme of Tradable Emissions Allowances.
United Arab Emirates	Carbon registry and trade system covering all sectors.
Cambodia	Mitigating the transport sector emissions would require policy instruments to promote low-emission transport modes.

Table 8: Selected measures concerned with payment for ecosystem services as part of market-based measures

Country	Measures
Bahamas	Establishment of payments for ecosystem services and other sustainable financing options to enhance protection of habitats for climate resilient communities (water purification, flood mitigation, carbon sequestration, etc.).
Costa Rica	By 2030, Costa Rica would have maintained and improved the Payment for Ecosystems Services Programme, including other services and ecosystems not covered so far. Priorities are soils, peat bogs and other ecosystems with high carbon sequestration potential, identifying and increasing funding sources.

Tariffs

Table 10: Import tariffs on energy products (percentage)

	Developed economies	Developing economies	Least developed countries
Renewable energy products (32 HS 6-digit products)	7.05	4.55	6.04
Fossil fuels (HS2701, HS2709, HS2710 and HS2711)	0.63	2.08	3.18

Source: A/77/207 based on UNCTAD Trade Analysis and Information System database.

Note: Renewable energy systems and components as listed in the first and second submissions of WTO member States, Committee on Trade and Development, see WTO, document TN/TE/19 (32 products at HS 6-digit level mainly from chapters 84 and 85 for machinery and mechanical appliances, and electrical equipment).

Conclusions and future work

- Conclusions:
 - Measures with strong potential links to trade
 - Need for increased coordination and inclusion of trade stakeholders in NDCs process to integrate trade into national plans.
 - International cooperation to avoid unnecessarily restricting developing countries' market access and development prospects.
- Future work:
 - Framework to support countries in integrating trade into NDCs. This will be introduced at an Ad hoc meeting in September 2024.
 - Training for decision-makers and stakeholders. Pilot programme in 2025.

Thank you!

