

Enabling Low-Carbon Investment and Advancing Sustainable Trade

BICFIT as a catalyzer of investments, including via operationalization of Article 6 and one of the platforms contributing to the Baku to Belem Roadmap to 1.3 T

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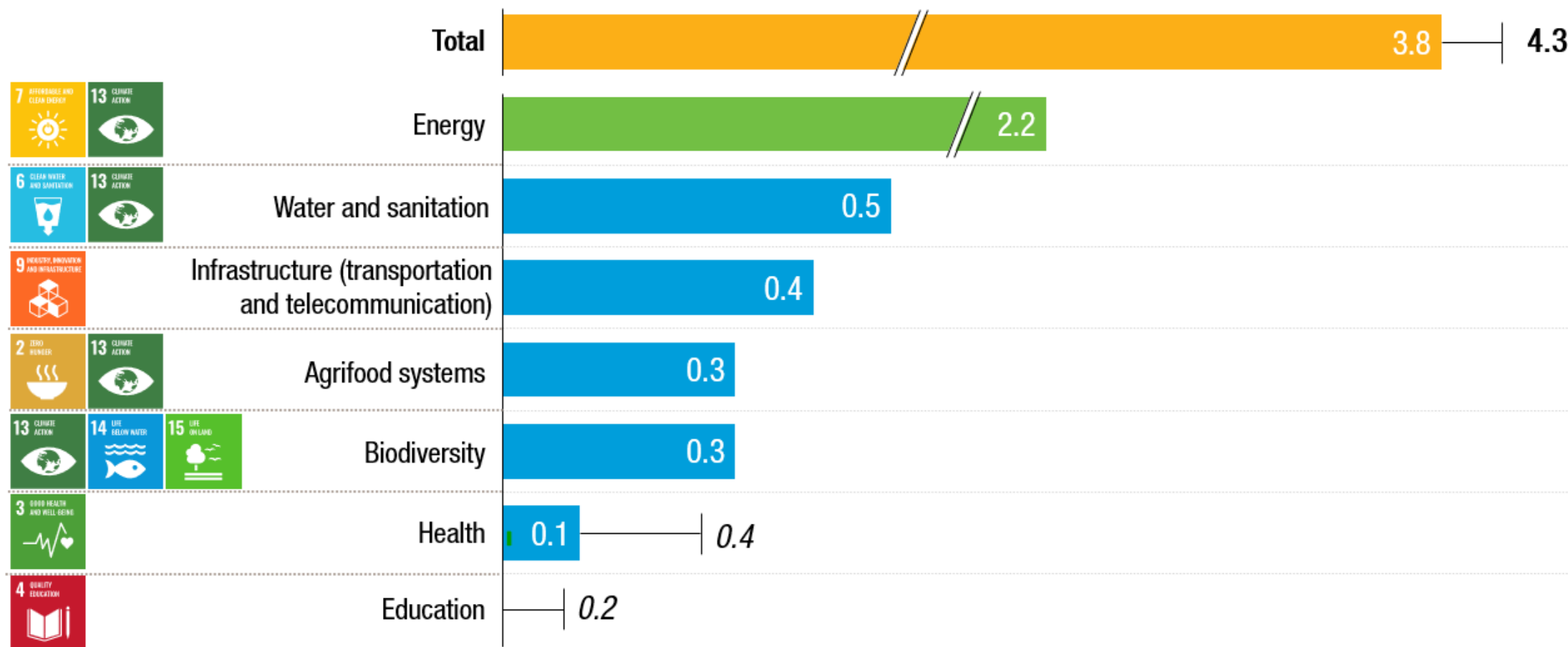
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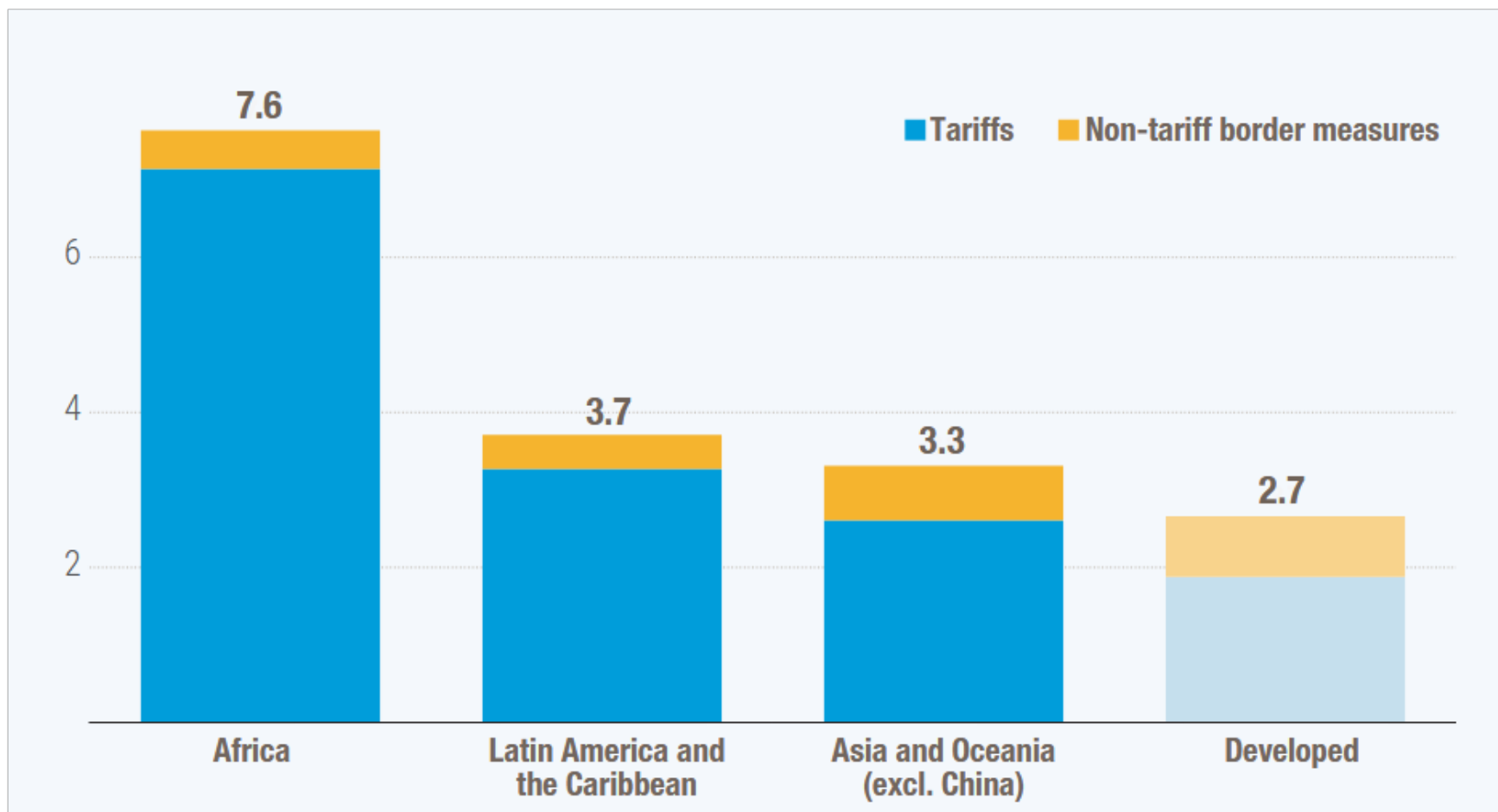
Key SDG sectors in developing countries

Estimated annual investment gap, capital expenditure, 2023-2023
(trillion of dollars)





Trade policy costs on trade goods in wind and solar energy technologies (%), 2020-2022



➤ Challenges to green development and the energy transition in developing countries

- Higher cost of capital
- Limited project preparation capacity:
 - Underdeveloped grid infrastructure,
 - Technical constraints,
 - Insufficient access to affordable modern technologies, particularly in rural areas.
- Critical gap in market connectivity and investment readiness
- Balance universal energy access with transition priorities.



➤ What is needed? How can BICFIT help?

- ▶ Climate-aligned FDI attraction
 - Development of green free economic zones
 - Support for sustainable finance
 - Knowledge sharing on green policies
 - Clean technology and innovation access
 - Capacity building
- ▶ Trade–climate policy alignment:
 - Reduce trade barriers, align incentives, and support NDC implementation
 - So trade can facilitate affordable access to the goods, services, technologies, and knowledge needed for mitigation and adaptation, and
 - Building climate-resilient and resource-efficient value chains

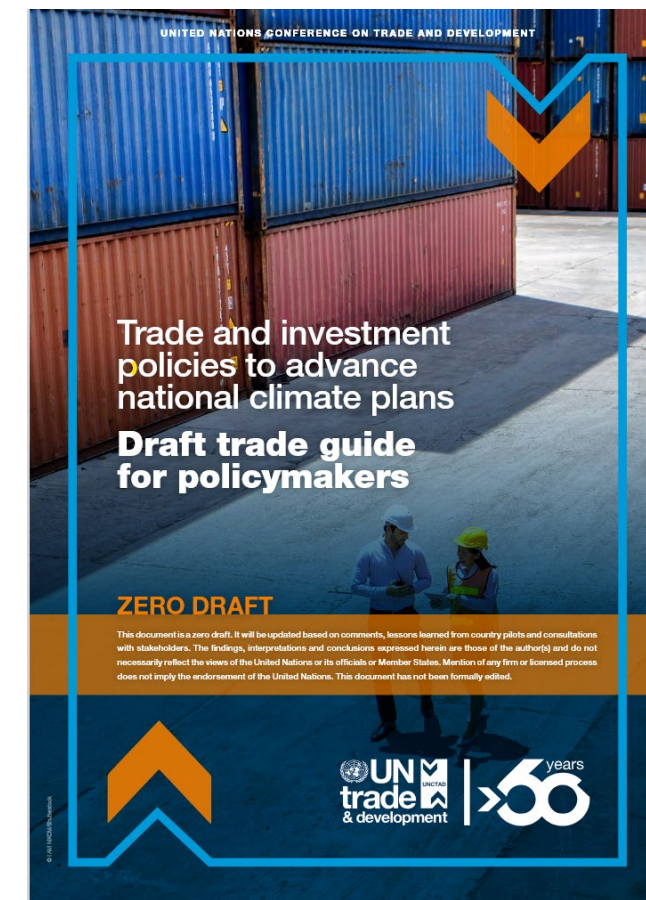
Improved policy coherence across climate, trade, and development strategies

BICFIT: Developing countries can leverage innovative climate finance—particularly from carbon markets—to build productive capacities for creating new low-carbon export products and advancing low-carbon economic diversification.



Integrating trade in NDCs and national climate plans: Opportunity to align climate and low carbon development

- ▶ UNCTAD developed a Guide for policymakers to leverage trade in Nationally Determined Contributions (NDCs) (UNCTAD contribution to BICFIT).
- ▶ Enables countries to identify climate strategic trade sectors and elaborate trade-related measures for their NDCs to:
 - Capture trade and development opportunities arising from increased global climate ambition while contributing to mitigation efforts.
 - Safeguard competitiveness and market access
 - Strengthen adaptation and export sector resilience
 - Accelerate the low-carbon transition and attract green investment
 - Promote sustainable export diversification and inclusion of vulnerable groups



Thank you

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