

Your Excellences, Ladies and Gentlemen

Preamble

It is a great pleasure for ITC to join this panel today to discuss sustainable development, trade and climate policies. This event is particularly timely given the agreement in September on the Sustainable Development Goals (SDGs) and COP21 later this year. Director Valles has outlined Trade's importance in the SDGs as a "cross-cutting means of implementation" for sustainable development.

The COP21 outcome is extremely important – as Christina Figueres, Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC) said in her briefing to the Geneva community in February of this year, the outcome of COP21 "...will determine the quality of life for the next 50 to 100 years".

As international organizations, missions and NGOs, we have a role to play to support the climate change agenda by supporting policies and initiatives that facilitate trade in green products and services. Trade policies play a key role in this regard – in combination with a wide range of important behind border policies, like industrial policies, energy policies, transport policies and government procurement policies just to name a few. Hence, policy coherence at both the international and the national level is crucial.

A trade regime with low tariff and non-tariff barriers allows for a freer and faster flow of low carbon technologies. It also enables countries suffering food insecurity – an insecurity which is increasingly aggravated by climate change -to import food at lower cost and in a more predictable manner. This is particularly important given that it is the poor that are most vulnerable to climate change, even though they make the lowest contribution to emissions.

Building on Director Valles's opening remarks, I would like to speak about how ITC assists developing countries increase the resilience of their export sectors to climate change and to seek out opportunities in the green economy.

Climate change and trade

Firstly, it is important to reiterate that climate change is impacting on trade in ways that are negative for development. Extreme weather events are damaging infrastructure like roads and electricity that are vital for trade. Rising temperatures and increased water scarcity are reducing farm productivity thereby making agricultural exports less competitive. LDCs in particular are still heavily reliant upon agriculture for employment and livelihoods - and hence what's bad for agriculture is bad for the poor.

As highlighted in UNCTAD's Policy Brief, climate change policies also impact on trade.

For example, retailers are increasingly requiring exporters to comply with private standards that stipulate reductions in carbon emissions. Changing consumer preferences for sustainability are also

generating new niche markets for exporters, particularly in the agricultural and natural resource-based sectors.

ITC is working in both these areas. We are assisting exporters reduce climate risks, but also to exploit new market opportunities in the green economy. I would like to share with you our partnership approach to deliver effective climate-mainstreamed Aid for Trade.

Introduction to ITC

A key focus of ITC's work is to enhance the competitiveness of SMEs in developing countries and transition economies so as to improve their integration with international value chains - and raise incomes and create wealth whilst ensuring economic empowerment of women and protection of the environment. We achieve this through capacity building programmes with producers and their organisations and facilitate a dialogue with policy makers.

How does ITC address climate change?

ITC has mainstreamed environment into its work through assigning in-house technical expertise to screen our projects for environment and climate risks and integrating mitigation initiatives. As an example, we have in a project aimed at increasing exports of leather from Africa also focused on mitigating pollution risks from the involved tanneries.

ITC partners directly with exporters and trade support institutions as a core element of our work. There is often a lack of information on how SMEs and their organizations perceive climate change and how it impacts the businesses of the SMEs. Knowing this information is vital to designing Aid for Trade programmes that address climate change effectively.

ITC undertook, therefore, a survey of the perceptions of climate change among agricultural exporters in Uganda and Peru. Published today and available from ITC's website, this survey has revealed that climate change is making existing challenges in the agricultural sector even more difficult to overcome, and that climate change is already having a highly negative impact on their competitiveness. In both Peru and Uganda, the majority of exporters surveyed reported that climate change was one of the most serious threats to their business along with traditional challenges such as price volatility, high operating costs and meeting product quality requirements.

In response to these consultations, ITC has developed innovative approaches to assist exporters reduce climate change risk. Through its Trade and Environment Programme, funded generously by Denmark, Norway and Germany, we have developed a range of climate smart agriculture trade projects. Let me give you an example in relation to the tea industry in Kenya.

Tea is a hugely important crop for sustainable rural livelihoods. An estimated 500,000 smallholders derive a livelihood from tea in Kenya. Almost all the tea is exported.

In response to increasing demands from retailers and private standard setters about reducing carbon emissions in production, ITC worked with 16 tea factories to improve energy efficiency and reduce firewood consumption. This has enabled the factories to comply with climate labelling and product standards, and satisfy requirements from buyers. Not only has this secured market access but also strengthened the competitiveness of these factories due to substantial energy cost savings. The benefits to the smallholders are clear as dividends from these savings are passed onto the 60,000 smallholder farmers who co-own the factories.

ITC has similar climate-smart projects in coffee and cut flowers and we are looking to scale up to other countries and agricultural value chains. We would be very interested to speak with delegates with an interest to develop joint proposals on climate smart agriculture and trade.

Green economy market opportunities

As I mentioned and as outlined in UNCTAD's Policy Brief, concern about sustainability is creating opportunities for trade. ITC works directly with exporters, farm cooperatives and trade support institutions to identify green market opportunities both in the field of agricultural products and biodiversity based products. We work in countries ranging from Peru, Viet Nam and Madagascar.

For example in Madagascar, we have offered capacity building to women's associations in the Makira forest on climate resilient raffia production and linking these producers to international fashion buyers. In Peru, we are working with cacao suppliers on sustainable sourcing practices and promoting market access with fine and aromatic chocolate producers in Europe.

In order to bring much needed transparency to trade, ITC has also developed Standards Map as part of our trade for sustainable development initiative. Standards Map is a database of private voluntary standards that enables comparison of principles and criteria as well as enabling exporters to benchmark their business against standards compliance. We have in this context also launched the blue number initiative in collaboration with United Nations Global Compact and GS1. The blue number initiative is a global registry for sustainable farmers. The blue numbers give previously "invisible" farmers and agribusinesses a visible online presence. The blue numbers connect the producers to global buyers who prioritise sustainable sourcing.

Final words

Ladies and gentlemen, climate change is a major development challenge of this century. Climate change is making agriculture a more risky livelihoods strategy. Many small holder farmers are women and climate change contributes to their vulnerability.

Trade provides an opportunity for empowerment – also during times of climate change. ITC works with our partners to ensure positive sustainable livelihood outcomes of our trade related programmes.

I thank you for taking the time today to attend this event and I hope it will be an opportunity to build new alliances and networks so that we can work together in support of COP21, find common solutions and contribute to mitigate the negative impacts of climate change – particularly for the most vulnerable.

Thank you.

- See more at: <http://www.intracen.org/news/Adress-made-by-Anders-Aeroe-Director-Division-of-Market-Development-on-at-%22Climate-Change-COP21-and-Beyond/#sthash.g0KaTomO.dpuf>