

**UNCTAD-ITC-GENEVA ENVIRONMENT NETWORK  
CLIMATE CHANGE COP21 AND BEYOND: BRIEFING ON SDGS,  
INDCS AND THE CONTRIBUTION OF THE INTERNATIONAL TRADE  
COMMUNITY**

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*Session 1: What can the trade community do to bring together the two  
frontiers of sustainable development and climate policies?*

THE ROLE OF THE MULTILATERAL TRADING SYSTEM IN ENSURING POLICY COHERENCE

Aik Hoe LIM, Director, Trade and Environment Division, WTO

Ladies and gentlemen,

I am delighted to be here with you today for this particularly timely event both for the trade and the environment communities.

In New York, as my colleagues have just mentioned, just a little more than a week ago, the post-2015 development agenda was successfully adopted.

But we all know this is just the start.

We now have to focus on implementation. Before the end of the year, we have another two major opportunities to strengthen multilateral cooperation for sustainable development: COP 21 in Paris; and thereafter in Nairobi, the Tenth WTO Ministerial Conference - the first WTO ministerial conference to be held in Africa.

Trade's contribution to this task is clear. At Rio+20 it was reaffirmed that international trade is an engine for development and sustained economic growth. It was also reaffirmed that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization - goals that are shared by the WTO - can play an important role in the advance towards sustainable development.

To achieve sustainable development we must ensure that policies in one area go hand-in-hand with policies in other areas. And we have examples of that coherence in the recently adopted SDGs:

- Goal 2 looks at reforming agricultural markets to end hunger - which is a key element of the trade agenda.

- Goal 8 calls for the increased support for the poorest countries to participate in global trade.
- Goal 14 calls for action on fisheries subsidies to tackle overcapacity and overfishing, which again is an important element of our work.
- And Goal 17 calls for the conclusion of negotiations on the WTO's Doha Development Agenda.

Amongst others, the WTO contributes to these goals by creating opportunities for economic growth while improving the efficient utilisation of existing resources.

We have seen tariffs cut in half and trade volumes double over the last 20 years. We have seen the benefits of trade extended to millions more people as developing countries' share in global merchandise trade has leapt from 27 per cent to over 43 per cent. And through the Aid for Trade initiative we have seen 245 billion dollars disbursed to help countries improve their trading ability.

Trade is also supporting sustainable development objectives and improving coherence in other, more direct ways.

First, by improving access to environmental goods, current negotiations can assist in efforts to improve coherence of trade to environment protection and climate mitigation national policies.

Many of the key mitigation technologies identified by the Intergovernmental Panel on Climate Change are still facing relatively high tariffs. Reducing trade barriers on climate and other environment-friendly products should reduce prices and facilitate access of a larger number of countries to these products.

In addition, more open trade can help spur domestic innovation. This can occur through the adaptation of foreign technologies to meet local conditions or the development of new innovations based on imported technologies.

As you may know, in July 2014, a subset of WTO Members launched a process to liberalize trade in environmental goods. These members account for the majority of global environmental goods trade. This is a significant and welcome endeavour, which would bring major economic gains. And, crucially, although it is being taken forward by a group of members, the benefits would apply to the whole membership.

Second, policy coherence between trade and environment policies is ensured through several provisions and disciplines in the WTO rulebook and has been tested in subsequent case law. WTO rules, which are

multilaterally agreed, give countries broad autonomy to pursue legitimate environmental and other public policy goals.

At the same time, this autonomy is subject to specific conditions to ensure that measures are not applied arbitrarily and are not disguised protectionism. WTO rules support efforts by governments to achieve an appropriate balance between their right to adopt trade restrictions and other regulatory measures to achieve legitimate policy goals, and the right of WTO members to participate in multilateral trade. The system has dealt successfully with almost 500 trade disputes overall, including a number specifically on trade and environment.

Third, the WTO has a highly developed institutional framework to promote transparency, mutual understanding and cooperation on a broad range of trade-related issues relevant to climate change. WTO members cooperate every day here in Geneva to maintain and improve the trading system.

For example, through its Committee on Trade and Environment (CTE), the WTO serves as a venue for constructive dialogue among its members on the links between trade and the environment. This forum has allowed Members to maintain an open channel of communication with each other, and with the environmental policy community. And, it has been instrumental in ensuring that the WTO's approach to the environment can evolve and adapt to changing realities on the ground.

The Committee on Technical Barriers to Trade is another example of a WTO body, whose work on transparency is relevant to environmental protection and climate change. Almost one in four notifications on technical requirements from WTO members today relate to environmental measures as compared with one in ten in 2003.

Finally, coherence with other initiatives at the international level is also essential. The Doha Agenda puts a focus on the relationship between the WTO and the Multilateral Environmental Agreements (MEAs) and offers an opportunity to formalize existing WTO-MEA cooperation. WTO and MEA secretariats, including the UNFCCC have been engaged in fruitful collaboration for some years.

When it comes to ensuring coherence with trade and environment policies, what is most needed are creative approaches to promote a durable shift toward sustainable patterns of production, transport, and consumption, while at the same time safeguarding and expanding the contribution of trade and the WTO to the realization of sustainable development. It also requires the strengthening of national cooperation between government agencies which deal with trade and the environment.

But this coherence is not automatic, nor the benefits of trade. As WTO Director-General Roberto Azevêdo said last week at the opening of the WTO Public Forum:

"Trade works...if it is accompanied by the right policies.  
if countries are supported to build the capacity they need to compete; and  
if we have a transparent system of rules which are agreed together and are enforced in a fair, open and cooperative way".

I think getting the "if" right matters, not just for trade, but also for sustainable development, and that is what we all need to focus on.

Thank you.