



9 February 2024

(24-1147)

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Committee on Trade and Environment

Original: English

A PROPOSAL FOR DEDICATED MULTILATERAL DISCUSSIONS ON THE TRADE ASPECTS AND IMPLICATIONS OF CERTAIN ENVIRONMENTAL MEASURES

COMMUNICATION FROM SAMOA ON BEHALF OF THE AFRICAN, CARIBBEAN AND
PACIFIC GROUP OF STATES (ACP)

1 BACKGROUND

1.1. Home to around 1.25 billion people¹, across three continents, the ACP Group countries span a diverse range of states comprising "Least-Developed Countries (LDCs), Small Island Developing States (SIDS), Small Vulnerable Economies (SVEs), Landlocked Developing Countries (LLDCs), Preference Dependent Economies (PDEs), Net Food Importing Developing Countries (NFIDCs), Highly Indebted Poor Countries (HIPC), limited commodity-exporting countries, and countries in war, post-conflict, and post-natural disaster situations"².

1.2. While nationals of African, Caribbean and Pacific Group of States (ACP) member countries represent around 15% of the global population worth around 8 billion total in 2023, a conservative estimate of the percentage of global greenhouse gas emissions produced by ACP World Trade Organization (WTO) Member countries represents less than 4%³. Greenhouse gas emissions are the most significant cause of climate change⁴ resulting in the sharp increase of extreme weather patterns; natural disasters; drought; desertification; significant shortage of crops and food; and biodiversity loss⁵. To achieve net zero CO₂ emissions by 2050, it is essential to achieve a fair and just transition towards a carbon-neutral economy and global trading system. In addition, cooperation is essential to support developing countries in meeting their Nationally determined contributions (NDCs).

1.3. At MC12, Ministers highlighted the critical role of trade and the multilateral trading system in promoting sustainable development and the need to provide "relevant support to developing country Members, especially LDCs, to achieve sustainable development, including through technological innovations"⁶. The ACP Group welcomes the reinvigoration of the Committee on Trade and Environment (CTE) to pursue dedicated discussions on issues and areas at the nexus of trade and environmental measures, including a focus on the needs and priorities of developing countries. Against the backdrop of new forms of industrial policy with a significant environmental dimension introduced across advanced economies, the call by trade Ministers at MC12 resonates further and renders cooperation within the WTO on this matter all the more urgent.

2 POSSIBLE THEMES FOR THE CTE TO ADDRESS

2.1. The focus of the discussions within the CTE can draw inspiration from several Initiatives and Declarations rooted in the ACP region, which outline the priorities and needs of ACP members and developing countries in a broader sense. The Bridgetown Initiative⁷, a global appeal led by Barbados,

¹ <https://www.unfpa.org/data/world-population-dashboard>.

² WT/MIN(21)/3.

³ https://edgar.jrc.ec.europa.eu/report_2023?vis=tot#emissions_table.

⁴ <https://www.un.org/en/climatechange/science/causes-effects-climate-change>.

⁵ https://www.wto.org/english/res_e/publications_e/wtr22_e.htm.

⁶ WT/MIN(22)/24.

⁷ <https://pmo.gov.bb/wp-content/uploads/2022/10/The-2022-Bridgetown-Initiative.pdf>.

underscores the vital need for reform of the international financial architecture and the urgent need to ramp up investment towards developing countries for governments to respond to a triple planetary crisis, induced by a sharp increase in the cost of living, the debt explosion, and the climate crisis.

2.2. The African Leaders Nairobi Declaration on Climate Change and Call to Action⁸, launched on 8 September 2023, calls for the development of "global standards, metrics, and market mechanisms to accurately value and compensate for the protection of nature, biodiversity, socio-economic co-benefits, and the provision of climate service". This is illustrated by the role of carbon sinks that the African continent provides in abundance. The CTE could provide an avenue to discuss possible harmonization and mutual recognition of such standards, especially in light of the complex nature of the discussions related to deforestation regulations.

2.3. Another relevant area highlighted by the African Leaders for the CTE to consider could be to explore the role of trade in scaling up the diffusion of renewable energy, notably in coordination with international financial institutions. We must highlight for instance that Kenya is already a leading country "in the number of solar panel systems installed per person"⁹. Furthermore, the African Leaders refer to the important role of facilitating "access to, and transfer of environmentally sound technologies", which could be discussed in the context of the CTE in coordination with the Working Group on Trade and Transfer of Technology.

2.4. The 2050 Strategy for the Blue Pacific Continent¹⁰ highlights the essential role of the ocean within the earth's ecosystem and the need to preserve the oceans' resources while eradicating pollution. The Strategy envisioned by the Pacific Islands countries underscores the need to "strengthen regional coordination and cooperation, including policy, regulatory and legislative measures that reflect a precautionary approach to address both the sustainable use and environmental conservation of ocean and land-based environment."

2.5. In this regard, the WTO can play a fundamental role in shaping novel multilateral mechanisms to support developing countries' recovery from climate disasters, notably through existing structures such as the Working Group on Trade, Debt and Finance that could establish linkages with the CTE in crafting common recommendations and policy options.

2.6. The CTE could explore ways to promote cooperation as governments design regulatory measures that preserve the oceans, while also creating opportunities for sustainable and novel forms of business and trade derived from the blue economy such as seaweed for food consumption and products derived from plastics substitutes¹¹. It should be highlighted that Mauritius has pursued an ambitious goal, under its "Vision 2030", to expand its blue economy to serve its broader Sustainable Development Goals (SDGs). It has provided financial incentives for investment in sustainable forms of fishing and aquaculture. It also introduced new legislation the "Environment Protection Act" and "Climate Change Act" to protect its coastal environment.¹²

3 AREAS FOR ENHANCED COOPERATION AND INITIATIVES

3.1. Between 2009 and 2022, ACP countries notified a total of 1'599¹³ trade related environment measures. The most common type of measure notified by our Group consists of technical regulation and conformity assessment related procedures with a total of 1'022 and accounting for around 64% of all notified measures. This highlights the scope for enhanced cooperation for mutual recognition and promoting harmonization of technical regulations and conformity assessments aimed at environmental conservation and protection that are already in place across ACP countries and those adopted by ACP trading partners. The Technical Barriers to Trade (TBT) Committee held a thematic session on regulatory cooperation between Members on climate change¹⁴ and highlighted this

⁸ <https://media.africaclimatesummit.org/Final+declaration+1709-English.pdf?request-content-type=%22application/force-download>.

⁹ https://www.wto.org/english/res_e/booksp_e/wtr22_e/wtr22_e.pdf.

¹⁰ <https://www.forumsec.org/wp-content/uploads/2022/08/PIFS-2050-Strategy-Blue-Pacific-Continent-WEB-5Aug2022.pdf>.

¹¹ https://unctad.org/system/files/official-document/ditcted2023d1_en.pdf; RD/CTE/229

¹² https://www.wto.org/english/res_e/booksp_e/wtr22_e/wtr22_e.pdf.

¹³ <https://edb.wto.org/>.

¹⁴ https://www.wto.org/english/tratop_e/tbt_e/tbt_0703202315_e/tbt_0703202315_e.htm.

dimension. An example was provided in relation to wind turbines and the existence of over 400 different regulatory requirements worldwide¹⁵.

3.2. The organic trade sector is another area of particular interest to the ACP Group in which its Members can develop a comparative advantage. However, there is room for progress in terms of scaling up and diversifying production across subsectors. For instance, through investment and training, ACP countries can utilize raw materials for transformation into higher value-added finished goods such as pharmaceutical products, perfumery, and other forms of higher value-added products. There should be a concerted effort in the CTE to take account of the natural methods and traded products in developing countries that are environmentally friendly and adapted. This is an opportunity for all WTO Members. These products should be supported and there should not be additional constraints on trade in those products.

3.3. Ghana, Vanuatu and Switzerland, in collaboration with the United Nations Development Programme, unveiled at COP27 a novel form of enhanced cooperation involving a voluntary approach to transfer mitigation outcomes in exchange for training of farmers in the case of Ghana and increasing access to renewable energy in the case of Vanuatu¹⁶. For Ghanaian farmers, the training can enhance their ability to reduce methane emissions and better manage water consumption. For Vanuatu, the collaboration supports efforts in meeting its objectives under its NDCs Implementation Roadmap by promoting sustainable energy consumption.

3.4. In the context of the Pacific region, an important initiative pertains to the decarbonization of shipping under the "Pacific Blue Shipping Partnership" involving Fiji, Kiribati, the Marshall Islands, Samoa, the Solomon Islands, Tuvalu and Vanuatu, wherein the partnering countries aim to entirely decarbonize the sector by 2050.¹⁷

4 COMMENT ON RECENT PROPOSALS

4.1. The recent proposals by India and the Africa Group on the issue of technology transfer underscore the critical role played by environmental technologies to promote a transition towards a carbon-neutral global economic system. In this regard, to build on the issues highlighted in those proposals, the WTO Secretariat could support in preparing a note that maps existing technologies relevant to adapting and mitigating the impact of climate change as well as supporting the adoption of renewable energy.

4.2. The CTE could also assist in efforts to convene a series of workshops and webinars to highlight the work of international institutions and stakeholders to promote the uptake of environmental technologies. The WTO Environmental Database could also serve as a gateway to explore on a dedicated page of the Database relevant environmental technologies available to support the transition towards novel forms of production and services.

4.3. Synergies could be developed in the discussions under the Work Programme on Electronic Commerce and identify relevant services delivered electronically such as weather forecasts and early warning systems of impending natural disasters, to facilitate the scaling up and diffusion of such services. There is also value in discussing trade-related environmental measures and policies based on certain guiding principles as the Africa Group outlines in its communication. Such principles can provide a reference point and guidance in the design of green industrial policy to reduce trade frictions and avoid disguised restrictions.

4.4. Given that most developing countries and least developed countries account for a fraction of the effects of industrialization recorded over the last two centuries, it is essential that the discussions within the WTO and the CTE in particular, factor in the historical responsibility of industrially advanced economies. In other words, a transition to a carbon-neutral global economic and trading system must not be viewed in a vacuum and in isolation from the broader context and setting in which countries have developed throughout the industrial era. It is worth recalling that after the entry into force of the General Agreement on Tariffs and Trade (GATT) and subsequently the WTO,

¹⁵ [G/TBT/GEN/352](https://www.wto.org/english/press/p/2023/p230323_g.htm).

¹⁶ <https://www.undp.org/geneva/press-releases/ghana-vanuatu-and-switzerland-launch-worlds-first-projects-under-new-carbon-market-mechanism-set-out-article-62-paris-agreement>.

¹⁷ https://www.wto.org/english/res_e/booksp_e/wtr22_e/wtr22_e.pdf.

some of the economic policies that previously benefitted the development of the current advanced economies such as high tariffs and large subsidies are not allowed under the current trade regime.

4.5. The CTE can provide a forum for more in-depth exploration of the relevant means to better mainstream development and the priorities of developing countries and least developed countries in the context of the policy discussions on trade and environment. This would entail identifying, based on consensus and transparency, the policy tools and flexibility in the rules available for developing countries and least developed countries to embrace carbon-neutral pathways to industrialize. In particular, in light of the evolving comparative advantage induced by climate change, Members could potentially identify emerging green sectors and bio products naturally traded in our countries that would benefit from increased investment.

4.6. Furthermore, as highlighted by the Africa Group, due to the challenges related to harmonization, developing countries and LDCs would greatly benefit from the opportunity to comment on and shape emerging environmental standards and regulations that impact market access. The CTE could play a pivotal role in this regard in work on how to facilitate mutual recognition of existing standards in place in developing countries and LDCs.

5 POSSIBLE PATHWAYS FORWARD

5.1. The reinvigoration of the CTE can be buttressed through active outreach and synergies with other relevant WTO bodies and WTO processes to develop coherent policy recommendations to support each WTO Member and operate a fair and just transition towards a net zero future in line with national priorities and needs. We must recall that many small delegations face capacity constraints to engage in every trade policy discussion and deliberation at the WTO, due to conflicts of schedule and overlapping meetings. To provide transparency concerning the discussions to be held in the various thematic groups and various configurations of the CTE, we would call for regular updates by the Chair of the CTE to the Chair of the General Council during regular or informal sessions open to all Members. This could also provide an additional spotlight on the various issues covered in the CTE and send a strong signal to the international community of the trade community' resolve to tackle climate change.

5.2. Concerning MC13, the WTO Membership could identify the key outcomes at COP28 that international trade could support in operationalizing. In addition, the WTO Membership could highlight core thematic areas corresponding to Members' collective priorities around which the discussions within the CTE would seek to articulate key trade policy recommendations to promote cooperation.

5.3. The ACP membership will also work with the Coalition of Trade Ministers on Climate, and we encourage other WTO Members to consider supporting and joining the Coalition of Trade Ministers on Climate. As it stands, the Coalition will provide the impetus to enhance the conversation on the importance of climate discussions within the trade context and how the WTO can make meaningful contributions to the United Nations Framework Convention on Climate Change (UNFCCC) conference and relevant climate negotiations. Consideration of Members can also be provided for the WTO to develop a new process or re-launch climate change conversation within the CTE with the support of the secretariat. The new process should provide a platform for WTO Members States to share their experiences on the nexus between trade and climate and what could be the focus of the WTO in terms of addressing the climate challenges. This process is geared towards ensuring the achievement of tangible results that would enable the WTO to allocate targeted support towards the mapping exercise and the relevant follow-up support to Members as highlighted in the paper.
