Aid for Trade and the Green Economy

Practical examples from the Trade, Climate Change and Environment Programme

A presentation to: WTO Trade and Development Committee
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Date: 29th February 2012
Green economy context

Coherence between environmental and trade objectives

Continue to produce and export

Whilst…. Minimizing environmental impacts and generating environmental goods and services
Experience from the TCCEP shows...

Green economy has environmental benefits

But there are costs to enter the market:

- Human, physical, financial capital
- Standards compliance costs
- Transaction costs

Environmental goods provision does have a cost

Not strictly speaking a win-win

Costs relatively small compared to benefit e.g. climate change mitigation)
Focus of TCCEP support

- Sustainable agriculture and biotrade sectors
- Trade and climate change issues
- US2.4m (2010-13), financed by the Government of Denmark
3 modes of support

Capacity building

Public information goods

Market linkages
Biotrade
Project Overview
Project rationale for Biotrade

Economic and environmental importance of biotrade sector:

- Export opportunity, but challenges to export development:
  - High regulatory barriers
  - Wider issues (climate change, biopiracy)

- Income generation potential
Overall objective

To strengthen the capacity of biotrade exporters to compete internationally, whilst maintaining environmental sustainability of supply
Exporters’ training workshop
Preparation of N. America Market Guides
Market linkage support
Plan for 2012

Continue same model of support in Peru

- Training on market requirements
- Market linkages
- Further research

Roll out regionally and sub Saharan Africa (funds permitting)
Assess climate change impacts on 2 biotrade exported products
Impact

• Greater competitiveness
  ➢ Ability to comply with standards, regulations
  ➢ Avoidance of pitfalls (labels, packaging)
  ➢ Wider client base
  ➢ Improved market linkages

• Improved sustainability
Trade and Climate Change

Project Overview
Project rationale

- Emergence of new buyers’ requirements (labels) on carbon
- Potential new non tariff barriers
- SMEs lack the in-house expertise to comply
Overall objective

To strengthen the capacity of agricultural exporters to deal with carbon standards, mitigate GHG emissions and find synergies with adaptation.
ITC technical paper - Product carbon footprinting standards in the agri-food sector
Multi-stakeholder workshop for exporters and local service providers in Kenya

A two-day training was held in December 2012 in Naivasha, Kenya:

- Achieved sensitization and needs assessment objectives
- Attended by 60 companies, service providers and standard setters
Mutli-stakeholder workshop for exporters and local service providers in Kenya
Plan for 2012

PPP to implement mitigation and adaptation in the Kenyan fruit and vegetable and tea sectors

- Develop training material on climate change mitigation and adaptation
- Train the trainers (including regional service providers)
- Trainers deliver training to lead farmers and factory management
- Support to develop and implement mitigation and adaptation strategies
Impact

• Strengthened competitiveness
  - Cost savings from identification of hot spots and actions
  - Greater human capital in managing carbon requirements

• Improved sustainability
  - Reduced emissions
  - Improved adaptation capacity
Standards Map is a partnership-based effort to facilitate access to information on private/voluntary standards and to increase opportunities for sustainable production and trade. Compliance to these standards is not legally required by national governments or multilateral regulations. As such, these standards fall outside the WTO framework. In most cases, the standards in T4SD have been developed by private entities, including firms, industry organisations, non-governmental organisations, etc.

Understanding and adhering to private standards is increasingly important in the current competitive market place.
What can TCCEP tell us about A4T and the Green Economy?

Strong demand from exporters for technical assistance

- Training on market requirements
- Strengthen market linkages
- Information on markets

There is a cost to GE transition

Technical assistance can help overcome the costs and deliver economic and environment benefits.
Thank you

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