

# WTO's Climate Change Work



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## ABOUT THE WTO

The World Trade Organization (WTO) is the only international organization dealing with the global rules of trade. The WTO has 164 members, accounting for 98% of world trade. Its main function is to ensure that trade flows as smoothly, predictably, and freely as possible. It does this by:

- administering trade agreements
- acting as a forum for trade negotiations
- settling trade disputes
- reviewing national trade policies
- building the trade capacity of developing economies
- cooperating with other international organizations

The WTO is an official observer organization to the United Nations Framework Convention on Climate Change (UNFCCC).

## OUR ROLE

Solving the climate crisis will require a transformation of the global economy. Trade has a vital role in driving the economic and technological shifts toward an inclusive, equitable, and sustainable future. The WTO, the cornerstone of the multilateral rules-based global trading system, is crucial in supporting climate action. The WTO's Trade and Environment Committee is the standing forum dedicated to dialogue between governments on the impact of trade policies on the environment, and of environmental policies on trade.

## KEY FACTS AND FIGURES



**75 WTO members** have joined the **Plastics Dialogue**, representing roughly **75% of the global plastics trade**.



**47 WTO members** have joined the **fossil fuels subsidy reform initiative**, accounting for around **38% of global trade**.



**74 WTO members** have joined the **Trade and Environmental Sustainability Structured Discussions**, representing around **85% of trade**.

## MAJOR INITIATIVES

### Informal Dialogue on Plastics Pollution and Sustainable Plastics Trade

This initiative contributes to global efforts to reduce plastics pollution and promote the transition to more environmentally sustainable trade in plastics. The Dialogue is working to improve the transparency of plastic trade flows, supply chains, and trade policies. Main priorities include strengthening regulatory cooperation with other international bodies, contributing to the United Nations Environment Assembly to forge an international legally binding agreement to end plastic pollution by 2024, and strengthening trade-related technical assistance for vulnerable economies, including least-developed countries and small island developing states.

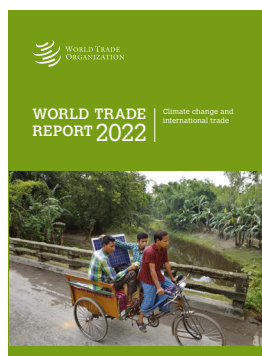
### Fossil Fuel Subsidy Reform

This initiative seeks to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption. It is part of broader discussions at the international level through which WTO members aim to address issues of inefficient fossil fuel subsidies that encourage wasteful consumption. These broader discussions include the Paris Agreement on Climate Change, the UN Sustainable Development Goal 12 (c) of the 2030 Agenda, the G20, the G7, Asia-Pacific Economic Cooperation, the V20 Group of Finance Ministers from climate-vulnerable economies, and the Addis Ababa Action Agenda on Financing for Development.

### Trade and Environmental Sustainability Structured Discussions

This initiative identifies areas for future work to help the WTO address sustainable development challenges more effectively and to identify potential ways by which trade can contribute to sustainability. Key areas under discussion include carbon pricing and standards, trade policies in support of a circular economy, facilitating trade in environmental goods and services, and the scale and impact of environmentally harmful subsidies. It works alongside relevant international organizations and other actors to support the technical assistance and capacity-building needs on trade and environmental sustainability of least-developed countries and other WTO members.

## WTO'S WORLD TRADE REPORT 2022: CLIMATE CHANGE AND INTERNATIONAL TRADE



Our annual flagship report released during the Climate Change COP27 focuses on the trade-climate change relationship. It provides critical data and analysis to help guide governments, businesses, and other key stakeholders in using trade to contribute to climate change action, including both mitigation and adaptation. It explains, for example, how global markets provide the scale required to bring down the cost of clean energy and climate-related goods and services. Likewise, the prospect of export markets expands the incentives for private companies to invest in innovation in renewable power generation and all the other cleantech breakthroughs needed to shift the global economy onto a sustainable trajectory. And trade ensures that nations without their own production capacities to essential goods and services, as well as required to transition to a clean energy future.



## REPORT KEY FACTS AND FIGURES



Eliminating tariffs and reducing non-tariff measures on a subset of energy-related environmental goods could **boost exports by 5 percent by 2030 while driving energy efficiency.**



Increased uptake of renewable energy technologies would **reduce global emissions by 0.6 percent.**



Global shift to clean energy will generate as many as **30 million new jobs in clean energy and related sectors by 2030.**



**International trade can play an essential role** in climate adaptation, risk prevention, reduction, and disaster preparedness.



Between 2013 to 2020, **Aid for Trade disbursements related to climate change action totalled US\$ 96 billion**, with a larger share of the disbursements directed at climate mitigation.