

## WTO-ICC VIRTUAL TRADE DIALOGUES WITH BUSINESS – "TRADE 4 CLIMATE"

TUESDAY, 26 OCTOBER 2021

### *Summary of Opening Session*

The Trade for Climate Change dialogue session organised on 26 October brought together key stakeholders, including business and non-governmental organisations. Participants reflected on how to mainstream trade into climate policy and how trade liberalisation and sustainable finance investment could support net zero strategies. Moreover, participants called for action to get on the path for the achieving the Paris Agreement climate goals, as the event would be held in the lead up to the 26th Conference of the Parties (COP26) of the United Nations Framework Convention on Climate Change (UNFCCC) and the WTO's 12th Ministerial Conference (MC12).

The opening session of this dialogue gathered key high-level speakers: the Director-General of the WTO, Ngozi Okonjo-Iweala; Secretary-General of the International Chamber of Commerce (ICC), John Denton; the Minister for Foreign Trade and Development Cooperation of the Netherlands, Tom de Bruijn; and the Managing Director of Development Policy and Partnerships in the World Bank, Mari Pangestu.

The Trade for Climate Change dialogue was opened by WTO Director-General Ngozi Okonjo-Iweala. She underscored the importance of promoting trade in goods, services, and technology needed for a low carbon future, as this had the potential to accelerate the transition to clean and affordable energy for all. She further stressed on the need for greater transparency, dialogue, and cooperation on trade-related carbon measures as well as on the importance of increasing the resilience of international supply chains in the context of a changing climate. Finally, Dr Ngozi recalled that, in this context, Members have to ensure a just and inclusive transition and underscored the need to support trade-related climate action in developing countries. She noted that the WTO Aid for Trade Initiative can help by mobilizing funding for green infrastructure and supporting the private sector in developing countries to adapt to climate change.

From ICC, Mr John Denton, underscored the importance of the Trade Dialogues for business, as one of the main ways to provide inputs into the WTO agenda. He noted that the ICC and the WTO together with B20 would hold the Business Forum on 2 December 2021 to work closely with Ministers. He highlighted that the two most important issues for the business community are trade and climate. Thus, he underscored the need for greater public private cooperation and for breaking down the silos between climate and trade policymakers. Mr Denton added that the structure and evolution of international commerce and the rules underpinning it would make a difference to whether the world would be able to get climate change under control. He further noted that the establishment of frameworks such as carbon pricing and international carbon markets would undoubtedly affect trade. Finally, he stressed the need to deliver meaningful outcomes at COP26 and MC12 and the need to bring in expertise and voices from a wide range of stakeholders, including civil society.

Ms Mari Pangestu from the World Bank noted that poverty, climate change, and inequality were the most pressing global issues. Trade policies were relevant to laying down long term framework for green and inclusive development strategies. She added that trade could be part of the solution to climate change by leveraging trade measures as a tool for environmental policies, removing trade restrictive measures to facilitate trade in green goods and services and bolstering trade facilitation. She underscored the importance for developing countries to be part of the conversation, and to participate in any multilateral negotiations to ensure that their interests are taken into account, and the standards being set to measure carbon footprints reflect their realities. Finally, she acknowledged the private sector's net zero initiatives as positive steps forward and as part of the solution to climate change adaptation and mitigation.

In his statement, Mr Tom de Bruijn, as a representative of the Netherlands, underscored the need to make trade greener and develop a greener agenda within the WTO. To this end, it was crucial to have support from a broad group of WTO Members in the Trade and Environmental Sustainability Structured Discussions, as well as contributions from external parties. WTO Members could start with a work programme that approached trade in climate-friendly goods from a global value chain perspective. He further added that phasing out inefficient and harmful fossil fuel subsidies was important in the context of climate ambition. The WTO could support the on-going efforts by promoting transparency in this area. Mr Bruijn encouraged broad support for a declaration and for the work done on fossil fuel subsidies within the WTO. He indicated that the upcoming MC12 should lay the groundwork for a number of the targeted initiatives.