

Mapping trade-related measures in NDCs

Chantal Line Carpentier

Head

Trade, Environment, Climate Change and Sustainable Development Branch

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Tool for Achieving Paris Agreement: Nationally Determined Contributions

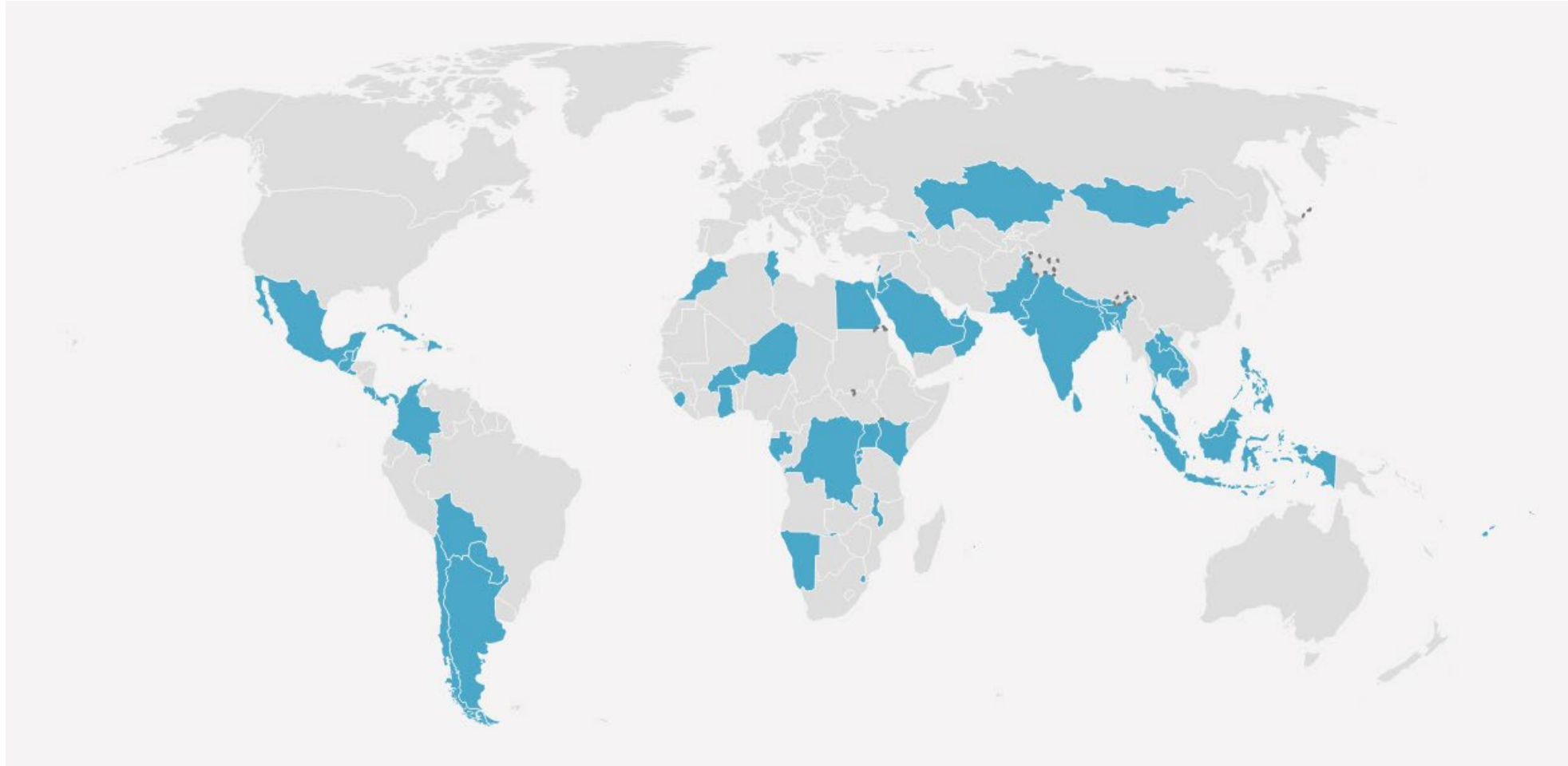
- “Each Party shall prepare, communicate and maintain successive nationally determined contributions that it intends to achieve” (UNFCCC, 2023a)
- NDCs:
 - Greenhouse gas emissions (GHG) reduction goals
 - List of adaptation and mitigation measures (including measures that pursue economic diversification outcomes).
 - Major outcome of COP28: First Global Stocktake: not on track to achieving 1.5 or 2.0
 - Next update in 2025, can't miss opportunity to have 1.5 C aligned

Role of Trade in NDCs ?

- Mapping of measures that interact with trade – how trade-related measures are used as MoI
- 60 developing countries representing :
 - Regional diversity
 - Income levels
 - LDCs, SIDS, landlocked countries, commodity dependence
- New or updated submissions as of 30 September 2023.

NDCs considered in the analysis is

Findings





Trade-related climate measures target mostly energy and green value chains

Number of measures per category found in Nationally Determined Contributions of 60 developing countries, 2023

- 680 trade-related measures
- With direct and indirect linkages to trade
- Most measures focused on:
 - increasing renewable energy
 - enhancing energy efficiency
 - and promoting green value chains.

Renewable energy and energy efficiency: Sample measures

Table 1: Examples of NDC measures linked to renewable energy and energy efficiency

Country	Measures	Potential trade impact
Burkina Faso	Construction of solar PV sites in Essakane, Matourkou, Dori, Diapaga, and Gaoua to increase electricity production to 85 MW.	Import solar PV equipment
Morocco	Installation of several wind power plants on several sites for a total capacity equivalent to 2180 MW by 2030.	Import of relevant inputs for windmills installations
Bangladesh	Use energy-efficient appliances in household and commercial buildings (achieve 5 per cent and 12 per cent reduction in emission respectively).	Implementation of technical regulations
Cuba	The installation of 15,250,000 LED lamps in the residential and public sectors.	Increased LED imports
Bahamas	Develop incentives to encourage the purchase of electric vehicles. Installation of charging stations for electric vehicles.	Increased import of electric vehicles and charging stations for electric vehicles
Namibia	10,000 Electric vehicles - replacing gasoline.	Import of electric vehicles

Table 5: Selected technical regulations identified in the NDC mapping exercise

Country	Measures	Potential trade impact
Namibia	<p>Namibia aims to introduce climate-friendly and energy-efficient appliances through (...) a ban on high GWP11 equipment and the introduction of minimum energy performance standards (MEPS) that generate emission reductions, both from the use of refrigerants (direct emissions) and from low energy consumption (indirect emissions).</p> <p>(To prevent lock-in of highly climate-damaging HFC12 refrigerants in the time between now and the first Kigali Amendment phase-down step in 2029)</p>	Imports of non-climate friendly and energy inefficient appliances in Namibia will be restricted.
Colombia	Implementation of Euro 4 and 6 emission standards for new diesel vehicles.	Only vehicles meeting required emission standards will be imported to Colombia.
United Arab Emirates	Energy efficiency standardization and labelling program (...) covering a range of household goods and appliances (including washing machines, dryers, refrigerators, water heaters, lighting fixtures, and air conditioners), to drive energy efficiency and enable households to make informed decisions.	Access to United Arab Emirates market restricted for household goods and appliances not meeting required energy efficiency requirement. Mandatory energy efficiency-related labelling requirements applied to imported appliance to inform consumer choices likely resulting in more favourable market condition for energy efficient goods.
Gabon	A forthcoming regulation must have the capacity to restrict the importation of incandescent lamps in favour of LED and compact fluorescent lamps. This entails providing 9 million low-energy lamps to households, along with 35 000 compact air conditioning units.	Restriction of incandescent lamp and increase in LED and compact fluorescent lamps import.

Technical regulations : Sample measures

Conclusions and recommendations

- Some are indirect measures but with strong potential to trade and carbon competitiveness
- Need for increased coordination with and inclusion of trade stakeholders in NDCs process to integrate trade into national plans.
- International cooperation to avoid unnecessarily restricting developing countries' market access and development prospects.

Limitations

- Not a comprehensive mapping, only selected countries
- Large range of quality, format, robustness of NDCs affects qualitative analysis
- Different generations of NDCs :updated 1st, 2nd & 3rd submissions
- Limited information on implementation strategies or conditionality of measures
- Language (En, Es, Fr)

Next Step: Contribute to UN Climate Task Force effort to develop a framework that better integrate trade and investment in NDC 3.0 for 2025

Justification:

- Need 1.5 aligned NDCs
- Ambitions are linked to capacity and Means of Implementation (MoI)

Outcome:

- A framework to better use trade (and investment) as MoI into NDCs
- Improving capacity of developing countries to integrate trade- and investment-related measures into the NDC
- That promote mitigation, adaptation, economic diversification, and facilitate market access
- Collaboration with pilot countries and sister UN entities

Next Step: Contribute to UN Climate Task Force effort to develop a framework that better integrate trade and investment in NDC 3.0 for 2025 ('cont)

To identify:

- Key export and import products and sectors to be considered for the formulation of measures in the NDC of a given country
- Consultation with all relevant trade stakeholders in the formulation of NDCs
- Identification of trade and policy options

Better use of trade and investment in NDCs based on:

- Findings from exploratory mapping of trade related measures in NDCs
- UNCTAD's NGER approach (currently used in 20 African countries to support the development of climate resilient and regional value chain strategies in the context of the AfCFTA)
- Lessons from the 2023 World Investment Report on Energy transition
- 2022 and 2023 UNCTAD analysis of climate change related NTMs
- Expression of interest from interested countries
- To be introduced to member States September 2024