Achieving the Trade-related Sustainable Development Goals

Second High Level Seminar on Trade in Central Asia

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UN Environment

Mission

"To provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations."

UN Environment work

- Assessing global, regional and national environmental conditions and trends
- Developing international and national environmental instruments
- Strengthening institutions for the wise management of the environment

Milestones in Global Governance Landscape

Rio + 20	Financing for Development	SDGs	Paris Agreement	G7/20
2012	July 2015	Sept 2015	Dec 2015	2017
Green economy and Trade as tools for sustained and sustainable economic growth	Need for inclusive and sustainable Trade and Investment Agreements	Trade as cross-cutting vehicle	International community tasked to take effective measures for achieving the 2°C and 1.5 target	Promotion of global growth, recovery fair trading system

Environmental concerns

- Growing demand driven by global market
- Unsustainable production methods
- Resource depletion and degradation
- Increased GHG emissions
- Pollution from international transportation
- Biodiversity Loss
- Environmental Footprint

Environment Concerns

Trade and Green Economy

According to UN Environment's definition, a **green economy** is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities

- Accumulation of capital:
  - Renewable natural capital
  - Clean physical capital
  - Human capital with green job skills
  - Social capital
- Policies aimed at:
  - Moving consumption, investment, public spending and trade towards sustainably produced goods and services

Trade and Green Economy

Trade opportunities

Green Trade opportunities arising from transition to a Green Economy

Trade as a driver

Trade and trade policy instruments can drive and facilitate the transition to a Green Economy

Nexus between Trade and Environment

Trade is neither good and nor bad for the environment.
Environment and trade goals can be *made complementary and mutually supportive*.
This requires attention at various levels:

Physical Level

- Trade affected by the environment from issues related to natural resource quality, safety, and availability

Policy Level

- Environment and trade represent two distinct bodies of law and policy but they interact

Governance Level

- Mulitlateral governance needs to work in synergy

Trade and Green Economy Handbook

- International Environmental Governance
- International Trade Law
- Multilateral Trade Negotiations
- Legal and Policy Linkages
- Regional and Bilateral Trade Agreements
- Capacity Building for Trade

Trade as a vehicle for Sustainable Development

- Reduce cost for environmentally sound technologies through economy of scale
- Open new markets for green goods
- Stimulate green innovation
- Encourage participation in international and regional supply chains
- Harmonization of environmental standards
- Greening of global value chains
- Reallocate resources and improve resource efficiency
- Encourage economic diversification – reduce dependence on extractives
- Social inclusion and economic empowerment of women
- Integration of national and international initiatives
- Development of appropriate funding mechanisms to finance a shift to green trade
- Capacity-building, including the development of partnership-based hubs

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Trade Related SDGs

Goal 2

- **2.a** Increase investment in DC, in particular LDCs
- **2.b** Correct and prevent trade restrictions and distortions in world agricultural markets in accordance with the Doha Development Agenda

Goal 7

- **7.a** By 2030 enhance international cooperation to facilitate access to clean energy research and technologies, including renewable energy, energy efficiency, and advanced and cleaner fossil fuel technologies, and promote investment in energy infrastructure and clean energy technologies

Goal 8

- **8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors
- **8.a** Increase Aid for Trade support for DCs, particularly LDCs, including through the Enhanced Integrated Framework for LDCs

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Goal 10

10.a	Implement the principle of S&DT for DCs, in particular LDCs, in accordance with WTO agreements
10.b	Encourage ODA and financial flows, including foreign direct investment, to states where the need is greatest

Goal 14

14.6	By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective S&DT for DCs and LDCs should be an integral part of the WTO fisheries subsidies negotiation

Goal 17

17.10	Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of negotiations within its Doha Development Agenda
17.11	Increase significantly the exports of DC, in particular with a view to doubling the LDC share of global exports by 2020.
17.12	Realize timely implementation of DFQF market access on a lasting basis for all LDCs

Emerging opportunities:

- Trade in environmental goods and services
- Regional trade and investment agreements
- Voluntary sustainability standards and sustainable value chains
- Trade and climate change
- Role of developing countries and South-South cooperation
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South-South trade makes up a large portion of some sectors of global RE trade

South-South Trade as a Share of Global Trade by Sector

2004-2012 (%)

Source: UN Comtrade data, UNEP analysis

Stocktaking on Inclusive Green Economy in Central Asia and Mongolia

This Stocktaking Report on Inclusive Green Economy in Central Asia and Mongolia: a Sub-Regional Perspective was produced by the United Nations Environment as part of a two-year project, “South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies,”

International investments in Central Asia have increased in recent years
There are some encouraging trends towards an Green Economy.

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	Kazakhstan	Kyrgyz Republic	Tajikistan	Turkmenistan	Uzbekistan
GDP ($bil)	232.0	7.2	8.5	41.9	56.8
GNI ($/capita)	11550	1210	990	6880	1880
HDI	0.788	0.655	0.624	0.688	0.675
C02 emissions (metric tons)/pc	15.8	1.2	0.4	12.2	3.9
Energy power consumption per capita (kWh)	4892	1887	1.682	2602	1637
Energy depletion % of GNI	11.8	0.4	0.1	15.5	5.3
Investment % of GDP	24.0	34.0	19.0	47.0	23.0
Exports % of GDP	38.0	47.0	19.0	73.0	28.0
Imports % of GDP	27.0	96.0	68.0	44.0	32.0
Trade % of GDP	57.0	109.0	62.0	67.0	45.0

Challenges of the SPECA countries as related to Trade and Environment

- Small populations, low population density
- Land-locked
- Low level of economic diversification
- High dependence on natural resources, - minerals, agriculture, fossil fuels
- Lack of infrastructure

➔ High potential to move to greener development

➔ Requires policy, regulatory changes and increased investment in green sectors and strengthening of environmental and social protection measures

Kazakhstan Case

- Leading role in the transition to IGE in Central Asia
- In 2013 it adopted a concept for the transition to a green economy
- Green Bridge Partnership Programme (GBPP), initiated as a regional collaborative mechanism to achieve “green economic growth in Central Asia through international cooperation and the facilitation of technology transfer, knowledge exchange and financial support”
- The country’s geography offers high potential for renewable energy production, Kazakhstan is endowed with some of the minerals used to construct solar panels
- Challenges:
  - Government funding is heavily dependent on revenues from fossil fuels
  - Construction of large and medium dams remains controversial
  - To ensure that economic benefits are shared equitably amongst different sectors of its population

Green transportation infrastructure in Kazakhstan

Considerations to make trade more sustainable

- Fully incorporate Sustainable Development into trade policy and negotiations
- Ensure compatibility between trade agreements and MEAs
- Conduct vigorous environmental impact assessment for trade policies and agreements
- Strengthen enforcement mechanism on environmental provisions
- Build capacity for economic diversification and investments in renewable resources
- Improve transparency and Public Participation in trade policy making
- Maintain highest environmental and consumer protection standards
- Ensure policy space and appropriate obligations on environmental management

The way forward

Scaling up good practices

Policy coherence and innovation

Capacity building

Partnerships: - public sector - private sector - civil society

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- A **demand-driven mechanism** offering **capacity building and policy advice on sustainable trade and investment**
- Offers **interdisciplinary services tailored to local needs** and circumstances
- Delivers through a **network of national, regional, and international partners**
- Assists countries in using trade and investment as vehicles for achieving SDGs

What Does the Hub do to make trade sustainable?

Objectives of the Environment and Trade Hub

To enhance country capacity to **design and implement trade policies that foster environmental sustainability** and human well-being

To assist countries in the **realization of trade opportunities** arising from a transition to a greener economy

To strengthen the **sustainability** aspects of **bilateral and regional trade** and investment agreements

To realize a **shift of trade practices** to more sustainable patterns

UNFSS
United Nations Forum on Sustainability Standards
a joint initiative of FAO, ITC, UNCTAD, UNEP and UNIDO

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Work stream 1: Environmental technologies

- EGA and Developing Countries
- GVC and Trade Integration in ASEAN
- EGS mapping
- Solar Export Project with Ghana
- West African Power Pool Project
- South-South Trade in Renewable Energy

Work stream 2: Governance

- Environment in Trade Agreements
- Sustainability Toolkit for Trade Negotiators
- Trade and Multilateral Environmental Agreements
- Handbook on Trade and Green Economy

Work stream 3: Greening GVCs

- Green Industry & Trade Assessment
- Greening agricultural value chains in South Africa and Chile
- Greening Aquaculture in Vietnam
- Biotrade Value Chains in Peru

Work stream 4: Footprint of Trade

- Assessments and strategies on trade in Lead Acid Batteries paper

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