

# Greening Aid for Trade: Future priorities and pathways for a just transition to sustainable trade

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AID FOR TRADE Examen Global Review  
AIDE POUR LE COMMERCE  
AYUDA PARA EL COMERCIO

27—29 July 2022

## Mainstreaming Environmental Considerations in A4T: What Way Forward?

Yasmin Ismail, Programme Officer, CUTS International, Geneva

July 28, 2022 – 17:30 to 19:00 – Virtual

# How can we define Green A4T?

“It is a fact that the main impetus for greening AfT is coming from mostly the stakeholders in developed countries, including the development assistance agencies and civil society”

Monkelbaan, Keane & Kaukab (2021)



# A preliminary Attempt...

very

“Green <sup>A4T</sup>~~growth~~ is about fostering ~~economic growth~~ <sup>trade</sup> and development while ensuring that the natural assets continue to provide the resources and environmental services on which our well-being relies. To do this it must catalyse investment and innovation which will underpin sustained growth and give rise to new economic opportunities.”

*OECD, Towards Green Growth: Monitoring Progress, 2011*

# Conventional Aid4Trade



# Green A4T

Technical assistance for trade policy and regulations (helping countries participate in negotiations, develop trade policies and strategies, and implement those policies and strategies)

Trade related infrastructure (building roads, ports, and and energy and telecommunication networks)

Building productive capacity and supply side capacity, including trade development (assisting countries to diversify their exports) and improved supply chains

Trade related adjustment (assisting developing countries and LDCs with the costs associated with trade liberalization and loss of fiscal revenue).

Other trade-related needs (if identified as trade-related development priorities in partner countries' national development strategies)

Support for environmental trade negotiations and development of improved environmental regulations

Support for climate resilient infrastructure, renewables and the transition from fossil fuels

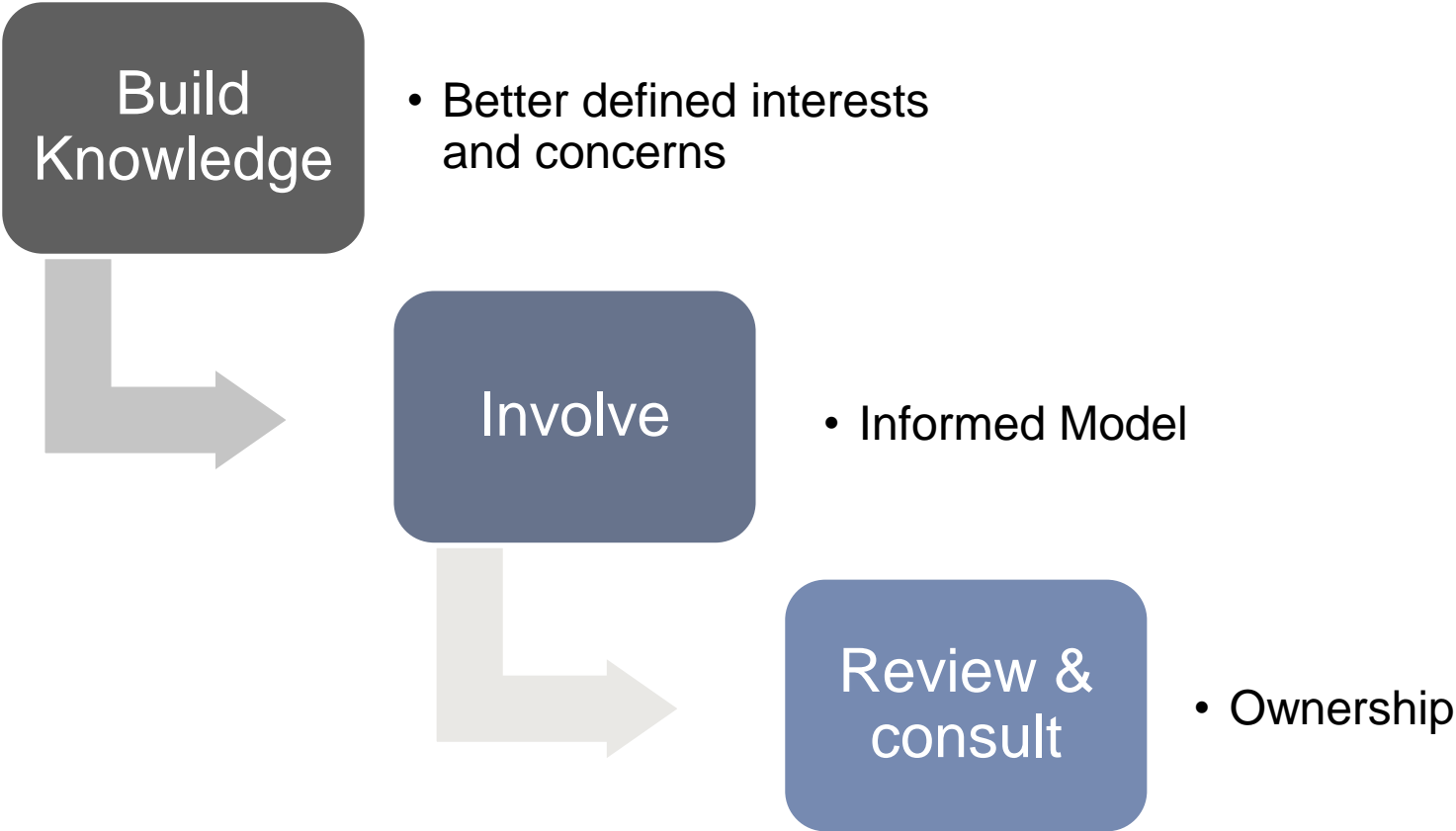
Support for diversification into green products, services and supply chains

Adjustment to green trade policies elsewhere, such as BCAs and enhanced due diligence in supply chains

Support for green recovery objectives and NDCs

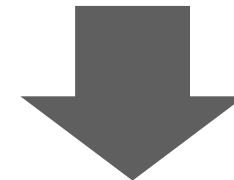
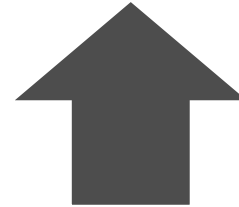
Source: Monkelbaan, Keane & Kaukab (2021), TESS Working Paper 4

# A Donor-Recipient Participatory Approach





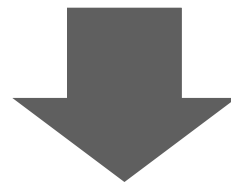
Additional  
financial  
resources



Increasing CC  
impact on Trade



Support  
adaptation  
& resilience



Additional  
Criteria

Capacity  
Building



# Thank You!

## More on this

July | 2022

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**Note**

**Climate Finance and Aid for Trade: Towards a Holistic Approach to Capacity Building**

By Leslie Sajou

**Summary**

This note of aims to provide and compare main elements of both Aid for Trade (AT) under the WTO and climate finance under the UNFCCC with a view to identifying possible commonalities and differences. Financing capacity building support for developing and least-developed countries is part of both the multilateral trading system and the international climate regime. However, the WTO and UNFCCC seems to deal with it in silos. By breaking these silos, this important issue can be dealt with more comprehensively and effectively. It is part of a series of notes on "Climate and Trade Communities: Joining Hands Towards a Prosperous and Sustainable Future".

Note Series: "Climate and Trade Communities: Joining Hands Towards a Prosperous and Sustainable Future" | N°2  
Trade and climate change communities - including policy makers, regulators and other stakeholders - need joint efforts to address global priorities towards a sustainable future. This will only be possible through greater and deeper exchanges between the two communities. To facilitate such exchanges, CUTS International plans to prepare a series of short notes on some of the issues relevant to both the multilateral trading system and the international climate regime. The series is titled "Climate and Trade Communities: Joining Hands Towards a Prosperous and Sustainable Future". These notes will endeavour to shed a light on these issues, which have been less being addressed under both the United Nations Framework Convention on Climate Change (UNFCCC) and the World Trade Organization (WTO), bringing and enabling synergies. This will help the trade and climate change communities to better understand these issues in a larger perspective, become familiar with the terminology of the WTO and UNFCCC on the similar issues, and advance on their respective agendas while being cognizant of the perspectives and implications for the other.

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KEEPING PACE WITH TRADE DEVELOPMENTS  
The World Trade Organization (WTO) is the largest global body for negotiating and administering international trade rules for its member states.

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1



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