

Greening Aid for Trade: Pathways for a Just Transition to Sustainable Trade

Aid for Trade Global Review 2022

Session co-hosted by TESS, CUTS International Geneva, International Institute for Sustainable Development (IISD), and the United Kingdom's Foreign Commonwealth and Development Office

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Greening Aid for Trade:

Pathways for a just transition to sustainable trade

Carolyn Deere Birkbeck ¹
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Key Messages

Aid for Trade (A4T) should be viewed as a key part of the policy toolkit for trade and trade policies that advance sustainable development and respond to urgent environmental crises.

Policy Brief: Deere Birkbeck, C. (2022) Greening Aid for Trade and sustainable development: Financing a just transition to Sustainable Trade. *Policy Brief*, IISD and TESS. <https://bit.ly/3cBPkqg>

Report: Deere Birkbeck, C. (2022) *Greening Aid for Trade and sustainable development: Financing a just transition to Sustainable Trade*, IISD and TESS.

Sample of environment-related aid for trade opportunities

Cross-cutting Priorities	Thematic Priorities	Policy & Institutional Priorities
Integrate environmental considerations into A4T <i>and</i> trade considerations into env finance & ODA	Integrate trade-related considerations into climate change mitigation & adaptation plans	Develop & implement sustainability standards
Support competitiveness in environmentally sustainable production & trade, including MSMEs	Facilitate affordable access to tech & finance need to leapfrog dirty industry & participate in low carbon supply chains	Integrate environmental sustainability goals in national trade policymaking
Identify and promote developing country exports of EGS & export diversification	Invest in sustainable, climate-resilient infrastructure for trade	Strengthen institutional linkages between trade, environment, and sustainable development policymaking nationally
Enhance access to international markets for env. sustainable exports	Harness trade & trade policies to support circular economies that build on national experience, best practices & sustainable development goals	Enhance technical capacity for environment-trade negotiations
Support enhanced participation in & returns from environmentally sustainable supply chains	Support trade-related efforts to tackle plastic pollution	Support implementation of environment-related provisions of trade agreements & trade provisions in MEAs
Support developing country producers to adapt to evolving environment & climate conditions & regulatory frameworks	Support sustainability in agricultural trade + sustainable use and conservation of biodiversity	Build environment-trade capacities of customs authorities
	Boost the environmental sustainability of participation in natural resources value chains	
	Address trade-related opportunities & challenges linked to the blue economy & sustainable tourism	

Pathways for harnessing aid for trade for a just transition to sustainable trade

Mainstream environmental goals into A4T, underpinned by sustainable development priorities

Ensure that A4T monitoring systems accurately capture and report information

Secure additional resources & improved access for environment-related A4T prioritized by developing countries

Integrate trade considerations into climate and environment funding initiatives

Strengthen South-South cooperation on sustainable trade

Foster greater coherence between A4T and wider sources of environment-related assistance & finance

- Ensure developing countries are in the lead on A4T priority setting and coordination of donor support.
- Complement with trade policies & rules that support developing countries to partner in & benefit from sustainable trade.
- Integrate national policymaking on trade and sustainability + greater engagement with diversity of relevant ministries and stakeholders.

Recommendations for 2022 Aid for Trade Global Review

1. Agree to an environmental review of A4T

2. Support country-led road maps for sustainable trade, with A4T needs assessments

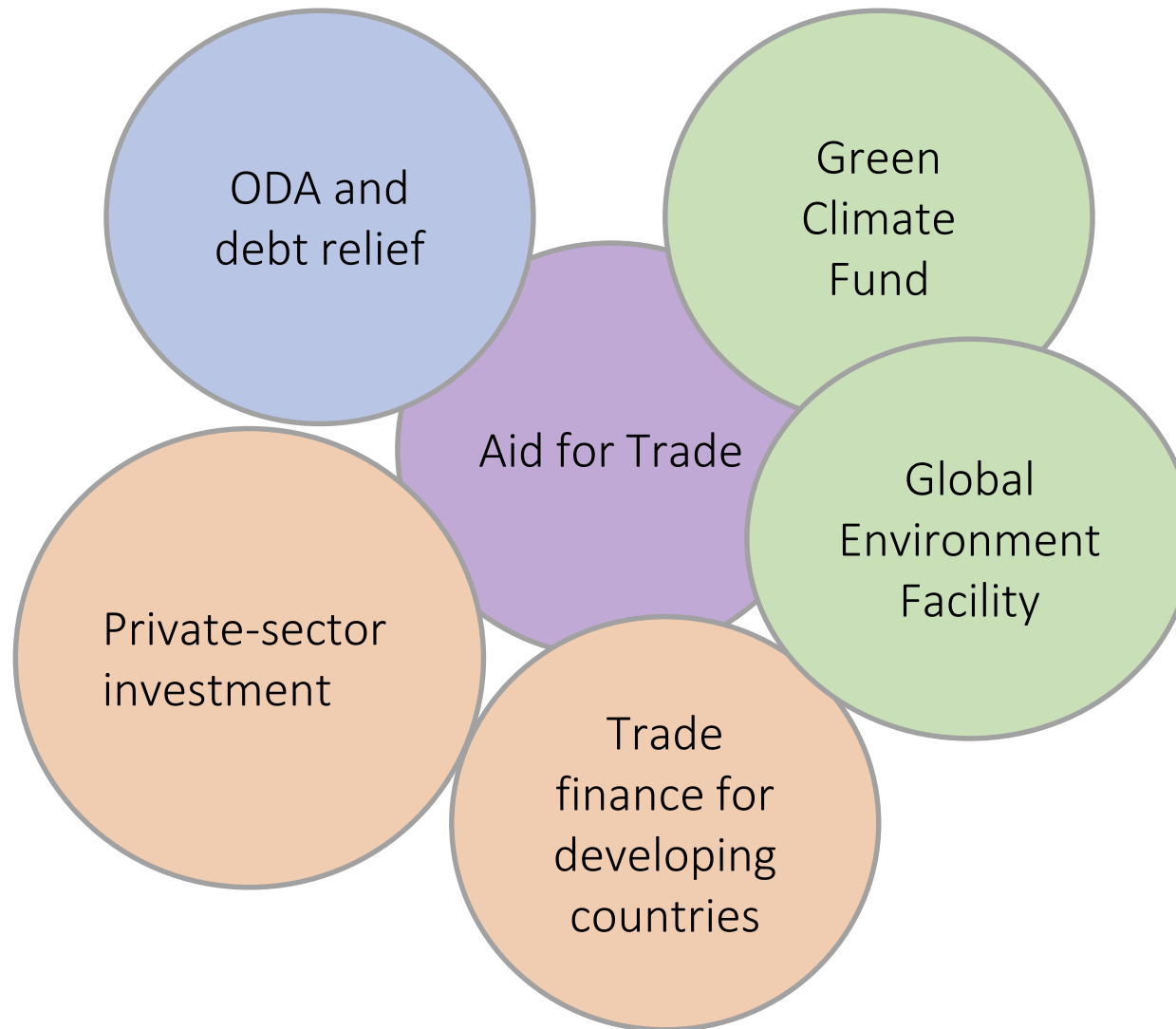
3. Develop indicators, improve monitoring & identify best practices

4. Convene joint sessions of CTD & CTE on trade, environment & sustainable development

5. Foster discussion of A4T priorities & commitments in Member-led initiatives on environment & sustainable development at the WTO (e.g., TESSD, IDP)

6. Convene a Summit on Financing a Just Transition to Sustainable Trade in 2023

Financing a just transition to sustainable trade: A sample of relevant actors and approaches



TESS

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Thank you!

Contact: director@tessforum.org
