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# **Briefing Paper**

# What can the WTO and UNFCCC Learn from Each Other?

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### **Summary**

This briefing paper summarises findings from a study by CUTS International on "WTO & UNFCCC: Highlighting issues of common concern & Learning from each other", and seek to help UNFCCC and WTO delegates better understand each other's roles and working model. It shades light on some common topics of interests for both WTO and UNFCCC delegates, and how they can learn from each other to potentially enhance synergies and support each other mandate in a sustainable way.





### Introduction

In structure and content, the UNFCCC (United Nations Framework Convention on Climate Change) is styled as a framework convention, like the Vienna Convention for the Protection of the Ozone Layer. Under the UNFCCC, all parties are required to submit national GHG inventories and particularly, developed countries are required to submit detailed descriptions of mitigation policies and potential impact of these policies on greenhouse gas (GHG) emissions. The data collected through the UNFCCC helps in contributing towards development of scientific understanding of climate change problem and countries tend to consult UNFCCC's reports in order to come to a major consensus in international agreements. The UNFCCC has provided an institutional framework for Parties to conduct negotiations and to facilitate their adoption of protocols and agreements related to the Convention's mandate. 1

UNFCCC members have achieved some critical negotiating outcomes in the last two decades. The first being the Kyoto Protocol (1997) which commits its Parties by setting internationally binding emission reduction targets. The Protocol places a heavier burden on developed nations under the principle of "common but differentiated responsibilities." The second is the Paris Agreement (2015) which builds upon the Convention and – for the first time - brings all nations into a common cause to undertake take ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so. As such, it charts a new course in the global

climate effort.

The WTO is an international organization which deals with the global rules of trade so that international trade can be conducted in a smooth and predictable manner. WTO aims at reducing obstacles to international trade so that a level playing field can be ensured for all which is conducive towards creating economic growth and development. It provides a legal and institutional framework for the implementation and monitoring of negotiated agreements and also has a dispute settlement mechanism to aid in the interpretation and application of agreements.<sup>2</sup>

The main functions of the WTO (World Trade Organization) are related with monitoring of compliance with the existing agreements, trade negotiations and the enforcement of negotiated multilateral trade rules. It also focusses on assisting developing, least-developed and transition economies including through the International Trade Centre (ITC) – a joint entity of the WTO and UNCTAD.

Whilst the UNFCCC and the WTO are two distinct international organizations with different mandates and ways of functioning, it happens (especially in a sustainable development point of view) that they are dealing with common issues of concern to some extent, being: trade and environment/climate change.

<sup>&</sup>lt;sup>1</sup> Kuh, K.F,Encyclopaedia of the Anthropocene, Science Direct, 2018. Retrieved from.

https://www.sciencedirect.com/topics/earth-and-planetary-sciences/united-nations-framework-convention-on-climate-change

<sup>&</sup>lt;sup>2</sup> WTO In Brief, WTO, 2019. Retrieved from. https://www.wto.org/english/thewto\_e/whatis\_e/inbrief\_e/inbr\_e. htm



# Trade & Environment: How both organizations are dealing with those issues?

## Trade: How is it considered at the UNFCCC?

The United Nations Framework Convention on Climate Change, giving birth to the UNFCCC itself in 1992, mentioned trade in its article 3 "Principles". Trade per se is also mentioned once in the Kyoto Protocol, in its article 2.3.3 UNFCCC members recognize that the fight against climate change should not negatively impact trade relations between countries. Trade is more considered by UNFCCC members as a tool to achieve their mitigation objectives. For example, the Kyoto Protocol established flexible market mechanisms, which are based on the trade of emissions permits, creating what is known as the carbon market. The three market mechanisms are Clean Development Mechanism (CDM), Joint implementation (JI) and Emissions Trading (ET).

In 2015, UNFCCC members went beyond the Kyoto Protocol and adopted the Paris Climate Agreement. The agreement aims to strengthen the ability of countries to deal with the impacts of climate change. To reach the ambitious goal of keeping a global temperature rise well below 2 degrees Celsius, appropriate financial flows, a new technology framework and an enhanced capacity building framework will have to be put in place, thus supporting action by developing countries and the most vulnerable countries, in line with their own national objectives. Compared to the Kyoto

Protocol, there is however no strict mention of trade in the Paris Agreement. However, trade (through voluntary market mechanisms, technology transfer mechanisms...) is considered as one of the means to achieve not only mitigation, but also adaptation objectives of signatories of the agreement.

Concerning market mechanisms and technology transfer mechanism, the detailed rulebook is still under negotiation even though 2018 was the initial deadline to develop it.<sup>4</sup> Common principles include environmental integrity, transparency, and prevention of double counting. The latter is important as, in contrast with the Kyoto regime, all countries contribute to mitigation under the Paris Agreement.

A critical aspect in achieving the Paris Agreement objectives is the Nationally Determined Contributions (NDCs). These are plans of action to be developed and communicated by each country presenting how they will reduce national emissions and adapt to the impacts of climate change. Those plans should be reviewed every five years. Traderelated elements feature prominently in the current NDCs, including those of developing and least developed countries (LDCs), though there is still room for improvement on how trade can support climate adaptation and mitigation.

# Potential synergies or inconsistencies with WTO discussions/negotiations?

Keeping in mind the country members of WTO and UNFCCC are nearly the same, there are several domains where the climate actions decided in Bonn

<sup>&</sup>lt;sup>3</sup> UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE, United Nations, 1992. Retrieved from. https://unfccc.int/resource/docs/convkp/kpeng.pdf

<sup>&</sup>lt;sup>4</sup> COP24: Key outcomes agreed at the UN climate talks in Katowice, Carbon Brief, 2018. Retrieved from. https://www.carbonbrief.org/cop24-key-outcomes-agreed-at-the-un-climate-talks-in-katowice



might be supported, or in the contrary be hindered, by what their WTO counterparts discussing/negotiating in Geneva, as briefly discussed below.

#### Market mechanisms & Emissions trading

Market mechanisms covered by Article 6 of the Paris Agreement and the trading of international emission reduction units could not be challenged from a trade policy point of view. However, there is a demand for a clearer definition of related goods and services under the WTO arrangements.5

In the literature, there are different views on whether emissions units would constitute goods under the General Agreement on Tariffs and Trade (GATT), or services under the General Agreement on Trade Services (GATS), with a majority of commentators concluding that they are neither. Greater agreement exists that services provided in the context of markets for different tradable climaterelated units, for instance greenhouse gas emission allowances, offset credits, or renewable energy and energy efficiency certificates in energy markets, fall under the GATS.

New issues could arise if emissions trading or carbon pricing coalitions would emerge with rules that discriminate among WTO members, for instance by excluding trade with non-parties or excluding trade with parties based on the strength of respective emissions trading schemes (i.e. their environmental integrity). This has already been the case with the restricted fungibility of certain Kyoto Protocol units in the EU ETS based on their geographic origin (EU, 2009, Article 11a.4).

#### Implementation of NDCs

The bottom-up approach to climate governance, leading to a range of different climate policies and numerous levels of national ambition enshrined in the NDCs, will have manifold trade-related implications. It will affect international trade flows, produce positive and negative spill over effects on other countries through trade, and can be expected to generate more trade conflicts, probing the boundaries of trade rules.6

There is a clear trend of countries increasing the use of trade defence measures against renewable energy products. This trend actually accelerated in 2012-2013 among key producers of renewable energy. More than 41 WTO cases on antidumping and countervailing duties have been initiated since 2008 against biofuel, solar energy and wind products. However, the record of panel and Appellate Body decisions on these and other climate-related questions is still sparse. If the rule book is filled out through case by-case litigation, it could be years before an overall framework is established. Moreover, case outcomes may depend heavily on how disputed measures are designed and implemented, making for a pretty complicated rule book.7

#### Technology transfer mechanisms

A huge shift to climate-friendly technologies is essential to reach the objectives of the Paris Agreement. However, a number of trade barriers undermine their diffusion and deployment. The

https://www.ictsd.org/sites/default/files/research/trade\_elements in\_countries\_climate\_contributions.pdf

<sup>&</sup>lt;sup>5</sup> The trade system and climate action: ways forward under the Paris Agreement, Climate Strategies, 2016 Working Paper, 2016. Retrieved from. https://climatestrategies.org/wpcontent/uploads/2016/10/Trade-and-climate-ways-forward-1.pdf <sup>6</sup> Brandi, Clara, Trade Elements in Countries' Climate Contributions under the Paris Agreement, ICTSD, 2017.

<sup>&</sup>lt;sup>7</sup>Hufbauer, Clyde Gary and Kim, Jisun, The World Trade Organization and Climate Change: Challenges and Options, PIIE, 2009, Retrieved from. https://piie.com/sites/default/files/publications/wp/wp09-9.pdf



liberalisation of international trade can thus significantly stimulate the development of this market and increase the spread and affordability of, for instance, clean energy or energy efficiency technologies. In particular, the reduction of trade barriers for environmental goods and services can contribute to climate change goals by facilitating the switch to renewable energy, as well as in improving energy efficiency and thus reducing fossil fuel usage. Moreover, climate-related provisions in trade agreements can act as stimulating framework conditions for decarbonising economic activities. Trade can also help compensate for or adjust to altered productive capacities caused by climate change, for example to ensure access to food or to support economic diversification.

However, technology transfer and the protection of intellectual property rights will most probably remain a potential source of conflict in the future. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) does not provide enough common ground among the WTO members from industrial countries and from developing countries.

## **Environment & Climate Change: How is it considered at the WTO?**

Sustainable development and protection and preservation of the environment are among the fundamental goals of the WTO. They are enshrined in the Marrakesh Agreement of 1994, which established the WTO, and complement the WTO's objective to reduce trade barriers and eliminate discriminatory treatment in international trade relations. In Marrakesh, ministers also signed a

specific "Decision on Trade and Environment" and called for the creation of the Committee on Trade and Environment (CTE). It is the standing forum dedicated to dialogue between governments on the impact of trade policies on the environment, and of environment policies on trade. The CTE is open to the entire WTO membership, with some international organizations as observers.

While there is no specific agreement dealing with the environment, and the issue of *climate change*, per se, is not part of the WTO's ongoing work programme, under WTO rules members can adopt trade-related measures aimed at protecting the environment provided a number of conditions to avoid the misuse of such measures for protectionist ends are fulfilled.

In fact, global trade rules of the WTO could be used affirmatively to combat climate change by imposing new and more specific trade disciplines on fossil fuel subsidies. Toward this end, in December 2017, at the last WTO ministerial conference in Buenos Aires, 12 of the 164 members of the WTO8 issued a declaration voicing the need for fossil fuel subsidy reforms in the existing WTO rules. These dozen WTO members have embarked now on a diplomatic campaign to enlist more countries in calling on the WTO to "achieve ambitious and effective disciplines on inefficient fossil fuel subsidies that encourage wasteful consumption including through enhanced WTO transparency and reporting that will enable the evaluation of the trade and resource effects of fossil fuel subsidies programmes."9

Moreover, eighteen participants representing 46 WTO members are separately negotiating an Environmental Goods Agreement (EGA). They are

<sup>&</sup>lt;sup>8</sup> The members that signed the statement include Chile, Costa Rica, Iceland, Liechtenstein, Mexico, Moldova, New Zealand, Norway, Samoa, Switzerland, Chinese Taipei and Uruguay.

<sup>&</sup>lt;sup>9</sup> Sanchez, Lourdes, Tackling Fossil Fuel Subsidies at the WTO MC11 in Buenos Aires, FFFsR, 2017. Retrieved from. http://fffsr.org/2017/12/tackling-fossil-fuel-subsidies-at-the-wto-mc11-in-buenos-aires/



seeking to eliminate tariffs on a number of important environment-related products. These include products that can help achieve environmental and climate protection goals, such as generating clean and renewable energy, improving energy and resource efficiency, controlling air pollution, managing waste, treating waste water, monitoring the quality of the environment, and combatting noise pollution. The participants to these negotiations account for the majority of global trade in environmental goods. The benefits of this new agreement will be extended to the entire WTO membership, meaning all WTO members will enjoy improved conditions in the markets of the participants to the EGA.<sup>10</sup> The progress in these negotiations has been slow, particularly after the change in the US administration.

# Potential synergies or inconsistencies with WTO discussions/negotiations?

While cooperation is already taking place between the WTO and the UNFCCC, as UNFCCC representatives participate in meetings of the regular WTO CTE and is an ad hoc observer to the CTE in Special Session, while the WTO secretariat attends UNFCCC Conference of Parties meetings; there are areas in which both organizations might adopt supportive positions, or in the contrary hindering each other's objectives, as showcased below.

#### • A need for paradigm shift

The climate change treaties and the WTO regime have the same goal, namely, promoting human welfare. The UNFCCC and the Paris Agreement are not just focused on the environment. If fully implemented, these instruments will shift the paradigm of economic activity, moving the global market from a fossil-based economy to a low-carbon economy, in part by using the market-based mechanisms. This leads to fundamental changes in the bases of production and consumption, transport, investment, and sources of energy. In that scenario, the idea that WTO operates in a vacuum is not viable. Making progress in addressing climate change calls for changes in the relationship between the WTO and the climate change regime. Any trade measures inserted into the climate treaties should be carefully written in order to avoid conflicts with the WTO rules and the WTO rules need to become more sensitive to the new scenario of trade-related measures used to address climate change.11

### Consideration of climate change in WTO's regular work

The regular work of the WTO could potentially support UNFCCC members in reaching their climate change/environmental objectives, as detailed below.

The Committee on Technical Barriers to Trade (TBT) provides an important forum to discuss technical regulations adopted by governments including to mitigate climate change. Technical specifications and labelling requirements related to climate change are not new to the WTO. The TBT Agreement requires members to share information on technical regulations that may have an impact on trade. In recent years, a number of product standards and labelling requirements targeted

MUTUALLY SUPPORTIVE? 2008. Retrieved from. https://www.law.du.edu/documents/djilp/36No3-4/UNFCCC-Kyoto-Protocol-WTO-Brewing-Conflicts-They-Mutually-Supportive-Anita-M-Halvorssen.pdf

<sup>&</sup>lt;sup>10</sup> Environmental Goods Agreement (EGA), WTO, 2019. Retrieved from.

https://www.wto.org/english/tratop\_e/envir\_e/ega\_e.htm

11 Halvorssen, M. Anita, UNFCCC, THE KYOTO PROTOCOL,
AND THE WTO – BREWING CONFLICTS OR ARE THEY



at energy efficiency or emissions control were notified.<sup>12</sup>

- The work programme of the CTE covers the main issues at the intersection of trade and environment. A number of issues indirectly relating to climate change, such as the environmental benefits of removing trade restrictions in the energy and forestry sectors and the effect of energy efficiency labelling on market access, have been discussed in the CTE. The Committee serves as an incubator for ideas to advance the trade and environment agenda and is the main gateway should members decide to explore further the linkages between climate change and trade.<sup>13</sup>
- The removal of fossil fuel subsidies could bring about climate benefits, but still needs more support by the WTO. This could bring about more transparency and coordination of national activities. Whilst negotiations and work are ongoing at the WTO, fossil fuel subsidy reform was also high on the agenda at the UN Climate Change Conference of the Parties (COP 23). At several events, experts and political leaders sent a clear signal to move fast to reform fossil fuel subsidies, which stood at over USD 425 billion in 2015.<sup>14</sup>

## **Lessons learnt & Way forward**

UNFCCC and WTO have been facing some similar challenges in their operations. Two important challenges relate to: i) issues related to differences among members due to their different level of development and capacities that is at the heart of the concept of special and differential treatment for developing countries, and ii) involvement of non-state stakeholders in their negotiations and day-to-day processes. The way each organization has (tried to) tackle these challenges can have lessons for the other in being more inclusive and taking more coherent actions/decisions.

## Differentiation between member countries

#### ▶ The UNFCCC case

Common but Differentiated Responsibilities and Respective Capabilities (CBDR–RC) is a principle within the UNFCCC that acknowledges the different capabilities and differing responsibilities of individual countries in addressing climate change. The principle of CBDR–RC as enshrined in the 1992 UNFCCC treaty calls for the widest possible participation and cooperation by all Member countries "in accordance with their CBDR-RC and their social and economic conditions." <sup>15</sup>

The Kyoto Protocol, based on the Convention, divides the participating countries into "Annex I" who are the developed countries and "non-Annex I," who are the developing countries. Greater

<sup>&</sup>lt;sup>12</sup> The multilateral trading system and climate change. Retrieved from.

https://www.wto.org/english/tratop e/envir e/climate change e

<sup>.</sup>pdf
<sup>13</sup> Trade and Climate Change, WTO-UNEP Report, 2009.
Retrieved from.

https://www.wto.org/english/res e/booksp e/trade climate change e.pdf

<sup>&</sup>lt;sup>14</sup> Zinecker, Anna and Merrill, Laura, Part of the policy solution:

fossil fuel subsidy reform and taxation at the UNFCCC, Global Subsidies Initiative, 2017, Retrieved from.

 $<sup>\</sup>underline{\text{https://www.iisd.org/gsi/subsidy-watch-blog/part-policy-solution-fossil-fuel-subsidy-reform-and-taxation-unfccc}}$ 

<sup>&</sup>lt;sup>15</sup> Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC), Climate Nexus. Retrieved from. <a href="https://climatenexus.org/climate-change-news/common-but-differentiated-responsibilities-and-respective-capabilities-cbdr-rc/">https://climatenexus.org/climate-change-news/common-but-differentiated-responsibilities-and-respective-capabilities-cbdr-rc/</a>



responsibility for mitigation of climate change consequences was given to the countries under Annex I than the non-Annex I countries. After that stage, some developing countries wanted to keep their "status quo" instead of taking further responsibilities for emissions reduction. Point in case is the 2009 Copenhagen Climate Summit where many non-Annex I countries resisted to take emission mitigation targets despite showing signs of having the capability to undertake emission reduction at a higher scale.16 Need has been felt to revise the lines of allocation of responsibilities for emissions reduction between these two categories of countries to achieve sustainable success in the climate change negotiations and common climate objectives. It has been argued that countries which were previously considered to be developing but now are relatively wealthy cannot claim special "respective treatment regarding capabilities" anymore.

Perhaps realising the futility of a priori defining "respective capabilities", UNFCCC negotiators adopted a more pragmatic approach. In the UNFCCC negotiations starting from Durban in 2011, members have allowed countries to individually determine their "contribution" to addressing GHG emissions. In 2015, 196 Parties agreed to undertake Nationally Determined Contributions (NDCs) as part of their commitment to align their economic development with the goal of sustainable development. Under NDCs, each country commits to reduce national emissions and adapt to the impacts of climate change as part of this long-term goal, and each Party is required to

"prepare, communicate and maintain successive NDCs that it intends to achieve". <sup>17</sup> One can argue that this pragmatic approach allowed the negotiators to succeed in Paris in 2015, while recognising that finding a universally acceptable understanding and application of the CBDR-RC principle remains elusive.

#### ♠ The WTO case

At the WTO, the key concept to accommodate for different levels of development of its members is "Special and Differential Treatment (S&DT)". Under the WTO, developing countries can benefit from S&DT, ranging from longer timetables for implementing agreements to weaker market access commitments. At present, about two-thirds of its 164 members consider themselves developing countries. <sup>18</sup>

Both developing and developed countries have been raising concerns on the way S&DT has been implemented in the WTO. Developing countries and LDCs have been pointing out that the S&DT provisions in the existing WTO agreements are often insufficient or rhetorical statements that have not been operationalised. At their demand, at Doha in 2001, Ministers had agreed that all S&DT provisions contained in WTO agreements should be reviewed with a view to make them strong and effective. However, out of an original set of 88 proposals tabled by developing countries and LDCs in the WTO's Committee on Trade and Development (CTD), members have only reached agreement on five LDC-specific ones, including a 2005 decision on duty-free quota-free (DFQF)

<sup>&</sup>lt;sup>16</sup> Ibid.

<sup>&</sup>lt;sup>17</sup> Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC), Climate Nexus. Retrieved from. https://climatenexus.org/climate-change-news/common-but-differentiated-responsibilities-and-respective-capabilities-cbdr-rc/

<sup>&</sup>lt;sup>18</sup> Jospehson, Per, COMMON BUT DIFFERENTIATED RESPONSIBILITIES IN THE CLIMATE CHANGE REGIME, P 32, 2017. Retrieved from. <a href="http://www.diva-portal.org/smash/get/diva2:1134510/FULLTEXT01.pdf">http://www.diva-portal.org/smash/get/diva2:1134510/FULLTEXT01.pdf</a>



market access for LDCs. 19

On the other hand, similarly as in UNFCCC, developed countries consider the way S&DT is implemented presently as inefficient because it is granted to countries classified as "developing" while this category includes countries which are now well industrialised. WTO does not have any set criteria for "developed" and "developing" countries. Countries declare for themselves which category they belong to and avail of the provisions offered by the WTO for the developing countries.

A wide range of suggestions have been put forward by researchers and think tanks to assist WTO in considering possible options. Some of the wideranging suggestions are:20 (i) To develop an objective standard based on relevant metrics in line with those used by the United Nations, International Monetary Fund and World Bank; (ii) A member to qualify as 'developing' only for specified sectors. South Korea, for example, maintains self-declared 'developing country' status, but in practice only exercises it in the most sensitive areas like agriculture and fisheries while accepting full obligations in other sectors; (iii) Accept self-declared developing status for existing WTO agreements and obligations, while updating the terms for status declaration or eliminating developing status for future agreements; and/or (iv) Individual WTO members to reassess their current economic situations and self-declare themselves as 'developed' countries.

#### • The UNFCCC case

The international climate change negotiations of the UNFCCC have relatively generous rules for NSAs (Non-State Actors) concerning access documentation, making statements, submission of written input and consultations with the presiding officers and the Executive Secretary. The Secretariat also has an NGO-liaison section, which can be viewed as a sign of the deep engagement with NSAs. There are some debates and discussions regarding the openness of UNFCCC to the non-state actors. States have complex relationships with non-state actors and this is revealed in the workings of intergovernmental meetings with some states wishing to restrict NSA participation in issues which they deem as sensitive. At times, interactions and the UNFCCC between states, NSAs, Secretariat have been strained. 21 However, below are some initiatives showcasing good efforts by the Secretariat on stakeholders' involvement.

In 2012, UNFCCC launched the Adaptation Private Sector Initiative (PSI) database - a new online tool which allowed businesses, private sector and communities to see how they can address and adapt to the inevitable effects of climate change.<sup>22</sup> It aims to bring private sector engagement in climate change adaptation efforts and provide a platform for the private sector to showcase and exchange best practices and experiences. Then, the Marrakesh

Stakeholders' involvement

<sup>&</sup>lt;sup>19</sup> Bridges Negotiations Briefing, ICTSD, P 22, 2017. Retrieved from.

https://www.ictsd.org/sites/default/files/2017\_bridges\_negotiation\_briefing\_-\_final5.pdf

 $<sup>^{\</sup>rm 20}$  Cutler, Wendy and Doyle, Kevin, China's developing country status, East Asia Forum, 2019. Retrieved from.

http://www.eastasiaforum.org/2019/01/21/chinas-developing-country-status-in-the-wto-time-for-an-upgrade/

<sup>&</sup>lt;sup>21</sup>Nasiritousi, Naghmeh and Linnér, Björn-Ola, Open or closed meetings? Explaining nonstate actor involvement in the

international climate change negotiations, Springer Link, 2016. Retrieved from.

https://link.springer.com/article/10.1007/s10784-014-9237-6#CR8

<sup>&</sup>lt;sup>22</sup> Bisiaux, Alice, UNFCCC Launches Database of Private Sector-Led Adaptation Activities, IISD, 2012. Retrieved from. <a href="http://sdg.iisd.org/news/unfccc-launches-database-of-private-sector-led-adaptation-activities/">http://sdg.iisd.org/news/unfccc-launches-database-of-private-sector-led-adaptation-activities/</a>



Partnership for Global Climate Action had been launched in 2016 to increase climate action by Parties and non-Party stakeholders by 2020.23 Parties to the Paris Agreement recognized explicitly that action by the national governments alone would be insufficient to limit temperature rise to 1.5 degrees Celsius and hence concerted action is needed through partnerships at all levels with the private sector and the civil society alongside the government stakeholders. Finally, the Talanoa Dialogue which was launched at COP22 and installed a process of discussions and consultations aimed at understanding how the goals of the Paris Agreement can be achieved through collective efforts and also for informing the NDCs. In Fiji, "talanoa" means to hold a conversation in an inclusive, receptive space and is traditional method of solving differences in the Pacific.

#### ▶ The WTO case

In 1995, WTO members established a legal basis for consultation and cooperation with NGOs where they recognized "the role NGOs can play to increase the awareness of the public in respect of WTO activities" and agreed "to improve transparency and develop communication with NGOs" by giving the WTO Secretariat the authority to establish direct contacts with NGOs. NGOs can be accredited to take part in Ministerial Conferences and attend the public hearings of some dispute settlement proceedings. Every year, the Public Forum of the WTO (its largest annual outreach event) convenes thousands of representatives of NGOs, academia, business, media, government, parliamentarians and

intergovernmental organizations to discuss on trade related issues, development and globalization. <sup>24</sup>

On other specific occasions, NSAs can also be invited to the WTO, such as in 2015, when over 150 representatives of governments, private sector, international organizations and experts across the globe met at the Global Facilitation Partnership meeting in Geneva, where they stressed their willingness to support international organizations in assisting countries implement the WTO Trade Facilitation Agreement (TFA). Representatives discussed ways in which the business community can work together with the international organizations to help countries implement TFA.<sup>25</sup>

While transparency of the WTO for non-state stakeholders has considerably improved, some continue to point the lack of fully established mechanisms for their regular engagement (e.g. there is still no provision to grant observer status to CSOs on a permanent basis) and the relative lack of access to WTO documents many of which are made available to only the members.

#### Conclusion

While the WTO and the UNFCCC are two international organizations with their own clearly defined mandates, and functioning models, their overarching objectives are similar. WTO and UNFCCC are both discussing and/or negotiating issues related to trade and environment/climate change to some extent, and may take decisions and actions that could either contradict or support each

<sup>&</sup>lt;sup>23</sup> Private, Public Action Together Needed to Tackle Climate Change. UNFCCC. 2018. Retrieved from.

 $<sup>\</sup>underline{\text{https://unfccc.int/news/private-public-action-together-needed-totackle-climate-change}}$ 

<sup>&</sup>lt;sup>24</sup> NGOs and the WTO, WTO, 2019. Retrieved from. https://www.wto.org/english/forums\_e/ngo\_e/ngo\_e.htm

<sup>&</sup>lt;sup>25</sup> Private Sector keen to support countries in implementing the WTO Trade Facilitation Agreement, UNECE, 2015. Retrieved from. <a href="http://www.unece.org/info/media/presscurrent-press-h/trade/2015/private-sector-keen-to-support-countries-in-implementing-the-wto-trade-facilitation-agreement/private-sector-keen-to-support-countries-in-implementing-the-wto-trade-facilitation-agreement.html">http://www.unece.org/info/media/presscurrent-press-h/trade/2015/private-sector-keen-to-support-countries-in-implementing-the-wto-trade-facilitation-agreement.html</a>



others' objectives. Climate and trade negotiators should be more aware of what their counterparts are doing, and interact more, to develop holistic international approaches that contribute to sustainable development of their countries. Finally, WTO and UNFCCC should find ways to function in a more coherent manner to contribute to the

achievement of Sustainable Development Goals (SDGs) – the universally agreed framework for poverty eradication, inclusive growth and sustainable development.



### **CUTS International, Geneva**

CUTS International, Geneva is a non-profit NGO that catalyses the pro-trade, pro-equity voices of the Global South in international trade and development debates in Geneva. We and our sister CUTS organizations in India, Kenya, Zambia, Vietnam, and Ghana have made our footprints in the realm of economic governance across the developing world.

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