

# How to make the international trading system more supportive for the Paris Agreement?

*A Presentation by*

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# Setting the Context

- **The Paris Context**
- **What Role for Trade?**
- **Need for Coherence across Regimes**
- **Assessing the Options**

# The Traffic Light Methodology

	High Potential
	Medium Potential
	Low Potential

In arriving at an 'Overall Verdict' in the Traffic Light Approach, much weight is attached to the 'political feasibility' of a proposed policy option, while also keeping in mind its expected implications in terms of the other two criteria.

**'Green'** is assigned to an option if its 'political feasibility' is at least 'medium', and the potential to deliver on the other two criteria is also at least 'medium' (even if some of the implications are 'inconclusive' as of now).

**'Amber'** is assigned to a policy option if its 'political feasibility' is at least 'medium', but it scores 'low' in terms of at least one of the other two criteria.

**'Red'** is assigned to a policy option if its 'political feasibility' is 'low', even if it has the potential to score well in terms one or both of the other two criteria.

# Timeline

- **Short Term (ST):** Less than 5 years
- **Medium Term (MT):** 5 to 10 years
- **Long Term (LT):** 10 to 15 years

The timeline is not a part of the overall verdict, and is independent. For instance, a particular policy option may get a 'Green' colour, but the timeline foreseen for its implementation feasibility may not be 'Short Term', but rather 'Medium Term' or 'Long Term'.

## 1. Legal changes at the WTO

**1(A).** Amending the text of the WTO agreements

LT

**1(B).** Adopting 'Waivers' releasing Members from legal obligation under the WTO agreements

MT

**1(C).** Adopting 'Authoritative Interpretation' of WTO agreements/provisions

MT

## 2. Procedural changes in institutions and practices

**2(A).** Ensuring technical expertise on climate change in relevant WTO dispute panels and the Appellate Body

ST

**2(B).** Enhancing coordinated efforts between the WTO and UNFCCC through more intensive use of existing forums (e.g. CTE, SBSTA)

ST

**2(C).** Creating new institutional setup under the WTO [e.g. a WTO 'Committee on Trade, Environment and Climate Change']

MT

## 3. Actions under Plurilateral/Regional Trade Agreements

**3(A).** Intensifying efforts under plurilateral approaches [e.g. Environmental Goods Agreement (EGA)]

ST

**3(B).** Including climate-friendly provisions in RTAs that are undergoing negotiation as well as in future RTAs

ST

**3(C).** Reviewing existing RTAs with the aim of making them more climate-friendly

ST

Thank you!