Trade as a driver of the implementation of the 2030 Agenda?

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Trade and the SDGs

- **Goal 17**: trade as a means of implementation.
- Related to goals on poverty (1), hunger (2), health (3) decent work (8), others.
- Why? Relative to autarky, trade boosts efficiency, incomes.
Is that it?

- Trade’s role as a MOI involves pursuing the status quo – no trade-offs.
- Arguably trade-offs are necessary to achieve important enough goals.
- If climate change is one of those, there are options.
Five ways in which trade policy could help mitigate climate change and achieve the SDGs.
Liberalization of trade in environmental goods and services

- The payoff: faster dissemination of critically needed technologies
- WTO mandate since 2001 (Doha Round, goods only)
- APEC list: 54 goods, 5% or less tariffs as of 2015
- WTO plurilateral: 18 countries, talks started 2014
Reform of investment law

- Modern trade agreements contain investment chapters.
- They allow investor-state arbitration; able to argue for compensation of lost profits due to environmental regulations, e.g.:
  - Against Germany’s nuclear phase-out;
  - Against Quebec’s fracking ban;
  - Against Italy’s offshore drilling ban.
- Need to scuttle legitimate expectations of compensation – via declaration and/or carve out from ISDS protection.
Fix trade remedy cases against climate friendly goods

- Explosion of cases alleging subsidy or dumping of solar panels, wind turbines
- Trade remedies: annual reduction in green goods trade of $14B/yr (4% of total).
- Governments should pledge to process such cases only in the WTO, not national law, and to reform WTO law broadly.
Harmonize product efficiency standards

- Standards on consumer and industrial goods like boilers and washers
- EC-commissioned study: harmonizing at highest level globally shaves 11% of energy consumption by 2030
- States could harmonize specific standards within trade agreements: facilitates trade
Eliminate fossil fuel subsidies

- Trade agreements already discipline distorting subsidies
- Fossil fuel subsidies estimated at over $500 billion/year
- Conservative estimates: full phase out drops GHG emissions by 6 – 8%
Trade and the SDGs

- Many viable ways in which trade policy could contribute proactively to the SDGs.
- In some cases that contribution is essential to preserving the traditional gains from trade in the long run.
- In other cases, it’s a matter of political priorities.
Thank you

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Trade and Environment

- Allows for more damaging depletion of natural resources, ... BUT
- Increased incomes = increased environmental damage, ... BUT
- Race to the bottom in environmental standards, ... BUT
- Increased transport emissions, ... BUT