



# RMs: OPPORTUNITIES

## *THE ROLE OF TRADE*

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4 June 2013  
UNFCCC, Bonn

# Opportunities of cc

- Let's be honest: climate change more risks than opportunities
- Spectrum of risks and opportunities
- Obvious opportunities: RE, efficiency, adaptation
- Lot of belief in innovation (compare to a pc in 1985)
- Innovation is slowing down – opportunities though for local innovation, particularly in emerging

# More opportunities

- Not only economic but also political opportunities
- Finance: low-carbon revolution costs 450B €/year until 2030 (only 2-4% of capital expenditure) (McKinsey)
- Would pay for itself because of saved energy
- 170B USD/year for efficiency, but return of 900B USD/year by 2020 (RoR of 17%)

# .. And more opportunities..

- Knock-on effects on rest of economy
- Moving US to 20% renewables by 2020 would create up to 100,000 net jobs (UC Berkeley)
- Reason to stop deforestation
- Niche products: dried fruit, to prevent shocks and easier to store

# Why trade matters

Trade can :

- be an engine of growth, and support social and economic development
- help to adapt to shocks for example in ag production
- be the major way to adapt, trade = adaptation
- help to limit water use
- get RE and efficient technologies to consumers and create a global marketplace in which innovation goes up and prices down

# Why necessary to address trade and climate change linkages?

- i) Not addressing trade concerns risks leading to *countries failing to take climate action*.
- ii) Not addressing them would mean a *missed opportunity in terms of trade policies* conducive to climate action.
- iii) Fears that climate change will lead to *green protectionism* may undermine will to further trade reform and thus impede on the opportunities of trade to contribute to growth and development
- iv) Trade rules were made before climate change was on the agenda. DSB of the WTO currently has to deal with an increasing number of disputes, without guidance from members.

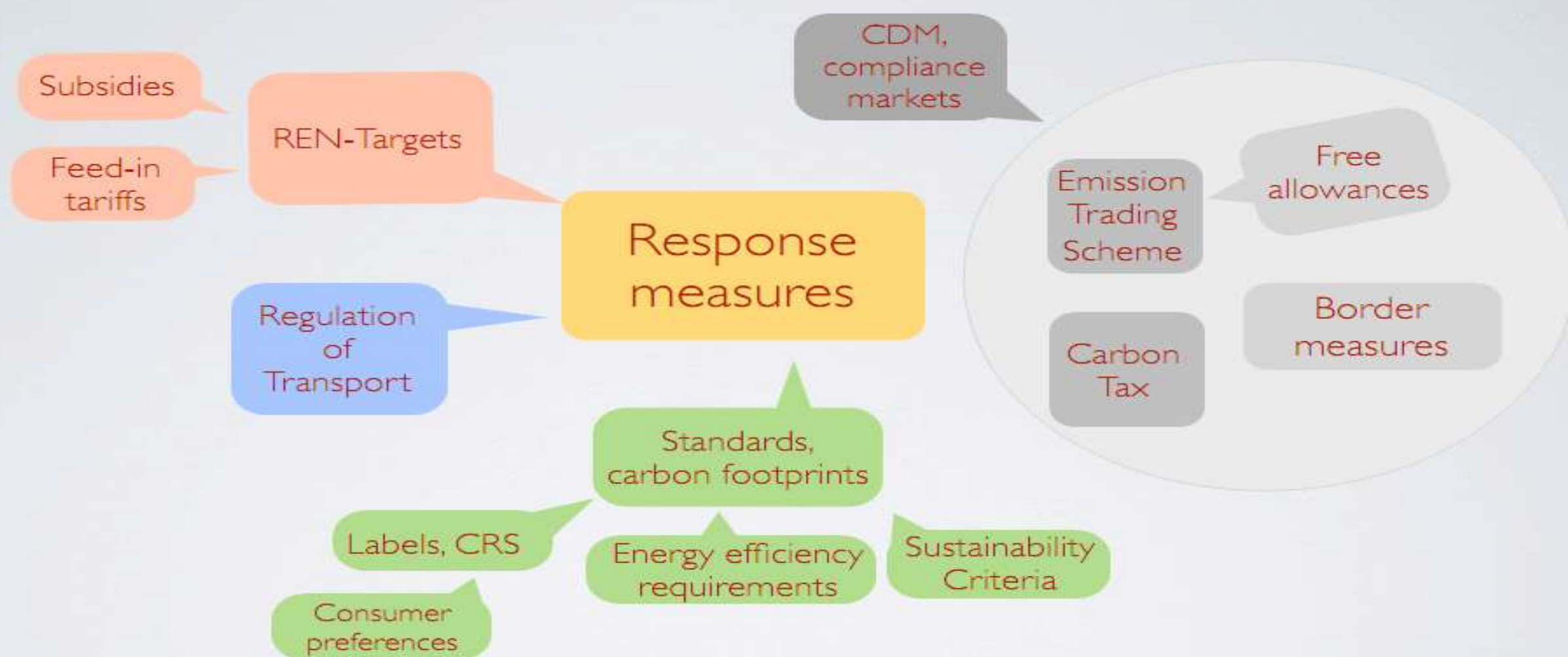


# Trade and climate change linkages

1. Biophysical impacts of climate change, with trade implications
2. Direct impact of trade on climate change
3. Policy linkages:
  - a) climate change policies and measures can have an impact on trade
  - b) trade policies can be used to achieve climate-related goals

# GLOBAL PLATFORM ON CLIMATE CHANGE, TRADE & SUSTAINABLE ENERGY

## A broad range of response measures





# Trade related climate policies generally fall under three categories

Regulatory measures	Fiscal measures	Market-based and incentive measures
<ul style="list-style-type: none"><li>• Energy efficiency standards</li><li>• Regulations, standards and targets for renewable energy</li></ul>	<ul style="list-style-type: none"><li>• Domestic carbon and energy taxation</li><li>• Carbon/energy tax on imports or exports</li><li>• Subsidies and domestic support mechanisms</li></ul>	<ul style="list-style-type: none"><li>• Kyoto flexibility mechanisms: emissions trading (ET), joint Implementation (JI), Clean Development Mechanism (CDM)</li><li>• Market access for low carbon goods and services</li><li>• Government procurement.</li></ul>

# Questions

- What is the difference with risks of pandemics and earthquakes?
- Who will take advantage and for what purpose?
- Costs or investments?