



Trade, AfT and the European Green Deal

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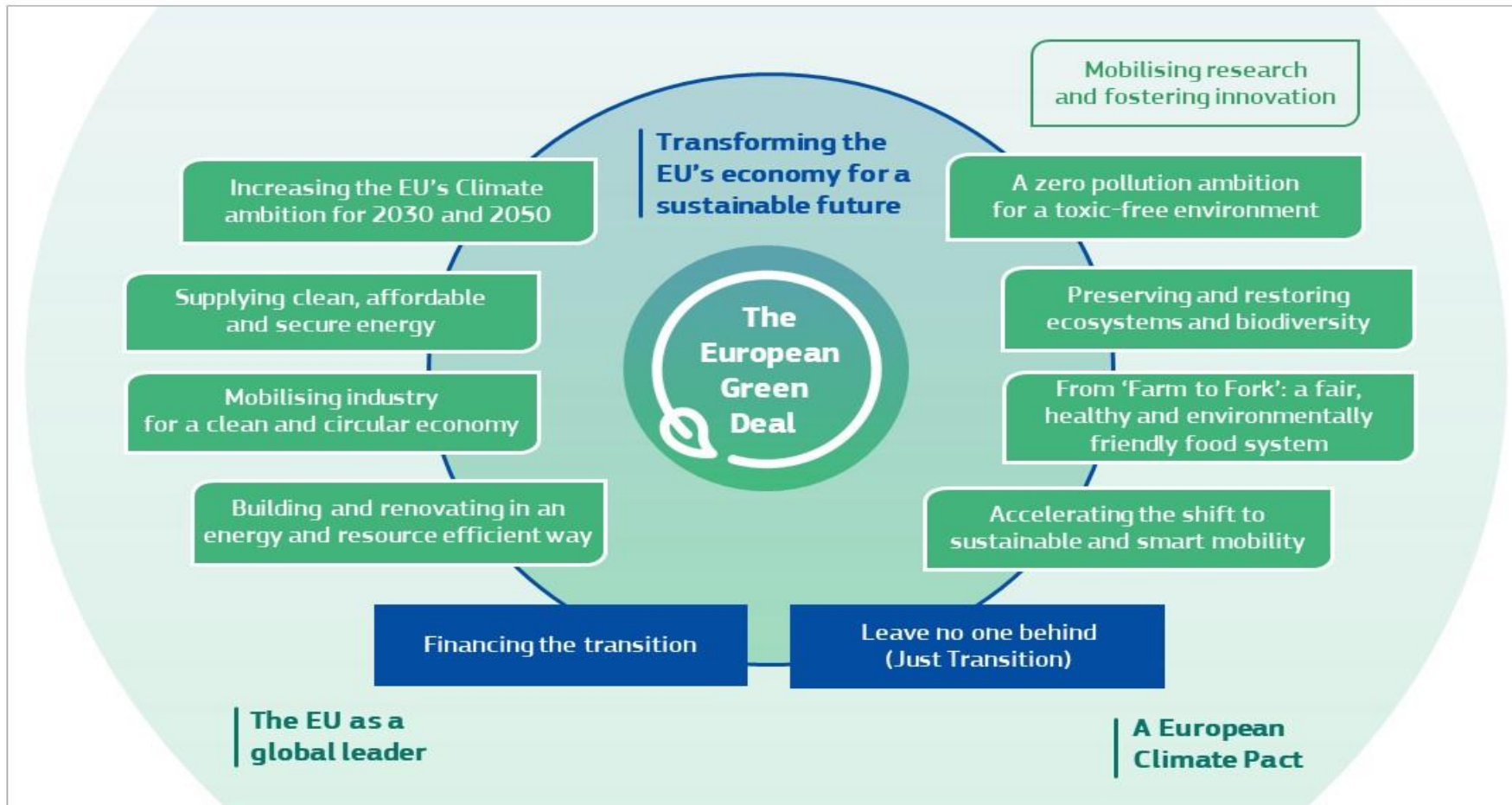
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Trade and the **European Green Deal**



Green Deal Actions



EU Trade Policy and the environment

TSD Chapter	Trade Policy Review 2021	Other initiatives 2021
<p><i>Multilateral Environmental Agreement</i></p> <ul style="list-style-type: none"> • Climate • Biodiversity • Chemicals/waste <p>➤ Sustainable management and conservation of forests</p> <p>➤ Sustainable fishing</p> <p>➤ Responsible business conduct</p>	<p>Ambitious TSD chapter:</p> <ul style="list-style-type: none"> • sustainable and responsible value chains • mandatory due diligence covering human rights and environmental protection 	<p>Carbon Border Adjustment mechanism</p> <ul style="list-style-type: none"> • for selected sectors • ensuring WTO/FTA compatibility • manage the external dimension/ avoid unnecessary trade frictions
	<p>Paris Climate Agreement an essential element of all EU FTAs</p>	<p>Deforestation measures + promote forest-friendly imports</p>
	<p>strengthen cooperation on biodiversity, pollution, the circular economy and sustainable food systems</p>	<p>Due Diligence initiative on sustainable corporate governance introducing mandatory due diligence requirements which will contribute to more sustainable supply chains</p>
	<p>ex-post environment evaluation</p> <p>Enforcement: CTEO</p>	

Integrating green dimensions in AfT

Motivation	Example approach?
Global demand for green products and services is growing	Assist exporters in realising opportunities in green products and services markets (including renewables, ecotourism and natural products).
Environmental performance is important to securing market share	Assist exporters attain market access through meeting regulatory and private, voluntary environmental standards.
'Green' technologies and resource use efficiency can improve export competitiveness	Assist exporters to improve sourcing, use and management of resource inputs to reduce operating costs and improve competitiveness.
Over-extraction, over consumption and depletion of natural resources threatens development outcomes in the long term.	Assist exporters to sustainably manage natural resources and mitigate negative environmental impacts, such as waste and emissions.
Developing countries are most vulnerable to climate change and other environmental challenges, which could undermine trade	Assist exporters to understand environmental risks, in particular, climate change.

Source: ITC (2016) Environmental Mainstreaming: A Guide for Project Managers

AfT: Aid for green trade and climate resilience

Trade policy and regulation (cat.1)

- Support for the development of **trade policies and agreements that protect biodiversity and eco-systems** that are important for tourism and other export sectors as well as for climate change adaptation.
- Build capacity to negotiate and implement **trade agreements relating to the exchange of green goods, services, technologies required for climate adaptation, mitigation and disaster preparedness and response.**
- Support the development and implementation of policies aimed at **improving sustainability in global value chains** as well as integration into these value chains.

Economic infrastructure (cat. 3)

- Promote investment in **renewable energy** deployment and **the adoption and promotion of cleaner and more efficient technologies** in production processes.
- Support **sustainable infrastructure** development with comprehensive and integrated environmental protection and management components.

Productive capacity building (cat.4)

- Build productive capacity in **climate smart agriculture** through improvements in technology and management practices, which can **boost resilience in production and livelihood systems.**
- Build capacity to take advantage of **new 'green' market access opportunities** through the adoption of **sustainability standards** and improvements to quality infrastructure.

Environmental Assessment Template: examples of questions

Risks: Mitigating impacts and strengthening resilience

- In what ways might the project impact the environment?
- Does the firm or sector use any inputs or practices that are causing damage to natural resources? If yes, what strategies could the project use to mitigate them?
- Will project activities indirectly affect the environment? If yes, what strategies could be used to lessen the environmental impact?
- Are there opportunities for improved environmental management on the firm or sector level? If yes, what tangible benefits will need to be communicated to beneficiaries to change environmental behaviours?
- What kind of natural resources is the firm or sector reliant upon (supplies of water, arable land, mined materials)? Is there a reasonable risk of those resources becoming scarcer? What strategies could beneficiaries adopt to mitigate their exposure?
- Does the firm or sector face regulatory risks surrounding the environment?
If yes, what can the beneficiaries do to prepare for environmental-related regulatory changes?

Opportunities: Leveraging environmental benefits

- What market opportunities arise from environmental needs? Is the beneficiary in position to address new market demands?
- Are there opportunities to improve resource or process efficiency? How can these benefits be communicated to beneficiaries?
- What environmental strategies have been shown by similar firms or sectors? Can these strategies be spread through TSIs or adopted by project beneficiaries?
- What environmental certifications are available in this sector? Is there a possibility of adoption by project beneficiaries?
- How will the benefits and opportunities of action be communicated to beneficiaries and other stakeholders?
- Are there investments in environmentally sound technologies that could also bring a long-term return?

Aid for Trade and the European Green Deal

European Green Deal:

- EU trade = “a platform to engage with trading partners on climate and environmental action”
- promote climate action, environmental sustainability, biodiversity, sustainable value chains, circular economy, farm-to-fork (F2F) sustainable food system
- stimulate green investment (public & private): energy, agriculture, production...
- facilitates trade and investment in green goods and services
- promotes climate-friendly public procurement
- enhance regulatory cooperation and promote EU standards: capacity building and support to help meet EU environmental standards
 - => avoid perception of European Green Deal as protectionist barrier
- address harmful practices such as illegal logging /deforestation (e.g. FLEGT): promote deforestation-free value chains
- help implement and enforce the sustainable development commitments (Chief Trade Enforcement Officer)

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Thank you



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