



UNCTAD wants ‘call to arms’ on trade and climate.

Even before the UN Secretary General visited the Bahamas islands devastated by Hurricane Dorian and blamed climate change for the storm, participants at the first UN Trade Forum, held in Geneva on 9-13 September 2019, were focused on the longer-term consequences. Following the St Lucia Prime Minister, they also put the spotlight squarely on the human tragedies created by the storms and sea-surges.

UNCTAD, the United Nations Conference on Trade and Development, came into the meeting it organized hoping for “a call to arms” to the UN Climate Summit to bring trade into the talks, particularly to help small states cope with their climate crises.

The organization’s Secretary-General, Mukhisa Kituyi, said action on climate change can bring “many added benefits such as economic diversification, jobs and innovation, which form the base for shared prosperity and financial stability. Trade has an important role to play in leveraging those co-benefits.”

### **Global trade policy ‘must be part’ of the climate solution**

UNCTAD argued in its advance declaration: “Global trade policy must change and do more to be part of the climate solution. [The] climate crisis will wipe out trade gains of small island developing states if not addressed now.”

**This article sets the scene for our Special Report on the meeting. For our other reports on the Forum (in PDF) see this page ([LINK](#))**

Presenting the UN Trade Forum at a press conference on 3 September, Pamela Coke-Hamilton, Director of the UNCTAD Division on International Trade and Commodities, said the meeting signalled an important departure from the past two decades of treating trade as a taboo subject in climate action.

“The Paris Agreement [on climate control] does not contain any references to trade, but in a sense it’s the most important trade agreement,” Ms Coke-Hamilton observed in her statement.

## **Feeding into UN Climate Action Summit**

The Forum’s report on Sustainable Development Goals and Climate Change is to feed into the United Nations Climate Action Summit in New York on 23 September.

## **Dorian changes the agenda.**

Ms Coke-Hamilton broke from her prepared notes to speak first about the devastation being caused in The Bahamas by Hurricane Dorian, “the third devastating hurricane in less than three years” to hit the Caribbean and the worst in over 55 years.

The earlier storms had “wiped out” Barbuda and Dominica as economies, and the latest winds and sea surges devastated the Bahamian island of Abaco and made parts of Grand Bahama, including the main city of Freeport, “virtually uninhabitable”.

“I think that says more than anything we could ever say about the issue of climate change, and the countries that are on the front line of this problem,” she commented. Starting out with a theoretical approach towards trade and

sustainable development goals in the climate crisis, UNCTAD preparations for the forum discovered small island developing states (SIDS) faced some critical issues.

### **Three SIDS Premiers and other ministers**

Three SIDS Prime Ministers came into the weeklong Forum: from Barbados, St. Lucia and Vanuatu. Ministers also signed in from Jamaica, the Maldives and Malta, as well as Poland, current President of the climate change governmental group known as CoP24, and representatives of the African, Caribbean and Pacific States.

### **Climate change threatens national survival**

“Not only will climate change continue to wipe out trade prospects for many of these countries. It has a significant impact on the very existence of these countries,” Ms Coke-Hamilton warned.

### **Barbados Premier says “time to reinvent the international order for local resilience”**

Barbados Prime Minister Mia Amor Mottley, who presented the 16th Raúl Prebisch Lecture in Geneva that week, said in an advance statement : “It is time to reinvent the international order. One that builds local resilience as well as promoting global competitiveness.”

Ms Coke-Hamilton, who also comes from Barbados, said of small developing states: “We may not be large and powerful but in the final analysis we matter for the international trading system.” Many of the countries most vulnerable to climate change contribute less than 1% to its impact, she noted.

### **A WTO issue now?**

“What are the potential trade rules that can be put into place and what are the international mechanisms that can begin to be brought to bear?” she asked, suggesting that today this could even be an issue for the World Trade Organization (WTO), where many nations, including developing states, had resolutely opposed action, fearing environmental regulations would be used against them.

## **Forum agenda aims for holistic solutions**

She said UNCTAD itself had programmes on “the blue economy”, biodiversity in climate change, and “a very strong programme” on plastics and pollution. The aim of the forum, she said, was to obtain “a more holistic engagement” from the international community. “It has to be worldwide and a global effort,” she said, but challenged a questioner who suggested she meant to target the United States for failing to join the international consensus. She pointed out that many countries have signed the Paris Agreement but still have to implement measures that match their commitments.

## **Invisible yet indispensable**

Ms Mottley’s lecture was entitled “Invisible yet indispensable”. Her pre-lecture statement said: “Climate change is not a theory, or prospect. Small island states, coastal and low-lying states are on the front line. But the world order has been fundamentally undermined by the adhoc exercise of power over universal principle.” She warns that if nothing effective is done, many members of the international community will feel “invisible and dispensable”\*.

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\* “It is time to reinvent the international order. One that builds local resilience as well as promoting global competitiveness, for it will not stand if many of its members feel invisible and dispensable.”

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The SIDS include 38 UN members and 20 non-UN members. Googling SIDS, however, will just bring up a page on Sudden Infant Death Syndrome, as a business participant remarked.

## **Scrutinizing finance, technology and capacity building**

UNCTAD's briefing said "the forum will explore how to change the [climate control] approach from one of allocating or shifting burdens among countries through trade restrictive measures to figuring out ways in which trade could help all countries, developing and developed, big and small, share the burdens of transforming their economies. Delegates will deliberate on how to accelerate action on the means of implementation – finance, technology and capacity-building – and the role of trade as an enabling factor in meeting this need and leveraging the various co-benefits of tackling the climate emergency."

## **Why SIDS suffer most**

The statement, in a section entitled "trade flows or trade blows?", points out that SIDS "tend to lose from changes in terms of trade because they are net food importers or from limited adaptation to trade because of high trade costs and specialization in goods with little trade."

## **Safeguards for recovery needed**

Ms. Coke-Hamilton's statement said: "It is important to provide SIDS with flexibilities in line with their vulnerability to risks induced by climate change, including strong safeguards which can be triggered after a natural disaster to provide enough policy space for recovery."

## **Focus matches December climate conference**

UNCTAD notes: "The forum's focus on islands and coastal communities mirrors that of the 25<sup>th</sup> United Nations Climate Change Conference to be hosted by Chile in December. Trade can be an enabling fact in adaptation and in mainstreaming oceans-based economic activities in SIDS, where domestic markets remain small and remoteness is an intractable hindering factor."

## **Joint action plan on oceans use**

SDG 14 seeks to advance conservation and sustainable use of oceans. UNCTAD, UN Environment and the Food and Agriculture Organization (FAO) have put together a joint action plan to help countries achieve the trade-related targets. It is estimated to need \$2.8 billion to implement but argues that World Bank analysis suggests “improvement in global fisheries management can bring additional economic gains estimated at US\$83 billion”.

## **Circular economy and biodiversity**

The conference announcement stated: “With its focus on islands and coastal communities, the agenda of the Trade Forum practically mirrors the Chilean vision of a ‘blue’ COP 25, which has oceans as its overriding theme. SIDS and coastal communities may not be able to change the political course of efforts to mitigate climate change, but what the international community does or does not do will determine their fate. The Forum also reflects other priorities recently set out by the Chilean presidency: circular economy and biodiversity. While striking – the two events have been conceptualized independently of each other – this convergence is indicative of the critical importance of all these areas.”

The Forum also looked forward to the first UN Summit on Sustainable Development Goals since 2015, scheduled for 24-25 September after the Climate Action Summit. A scientific group set up by the UN Secretary General published its advance report reviewing SDG progress on 11 September, and this is covered in our summing up report.