

Evolution and architecture of the climate change regime; opportunities and challenges for Australian business

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**make
history.**



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We acknowledge and pay our respects to the Kaurna people,
the traditional custodians whose ancestral lands we gather on.

We acknowledge the deep feelings of attachment and relationship of the
Kaurna people to country and we respect and value their past, present
and ongoing connection to the land and cultural beliefs.

Without common approaches bifurcation is intensifying, and the risk of trade wars too

The WTO is slow in dealing with trade and environment



The EU is leveraging the "Brussels effect"

Emerging Clubs: OECD, G7, G20

The US is unilaterally subsidising

Sectoral approaches are emerging

Needed: agreement on non-negotiable principles among climate progressive nations



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Overview

What is happening in the WTO?

How can emerging European Union policy impact Australian SMEs?


What next?



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A group of men in dark suits and ties are seated at a long conference table. The man in the foreground has his hands clasped and is looking down at papers on the table. Other men in the background are looking towards the left, some with thoughtful expressions. On the table, there are microphones, water bottles, and glasses. The setting appears to be a formal meeting or conference.

What is happening in the WTO?

Quite a lot, actually, although it is, well, environmental...

The Trade and Environment Structured Discussions contains informal working groups



Trade-related climate measures

- Identification of measures impacting on trade, especially for developing countries' MSMEs
- Promoting best practices that accentuate environmental benefits; minimise harmful trade impacts
- Focus on carbon measurement standards and measures



Environmental goods and services

- Focused on climate change adaptation and mitigation
- Sector focus on renewable energy
- Identifying ways to unblock supply chains via trade-related policies and regulations



Circular economy – circularity

- How trade policies and tools can enhance circularity, particularly in developing countries
- Mapping trade aspects of the circular economy in relation to product lifecycles
- Sector-level discussions include renewable energy and electronics



Subsidies

- Identification of positive & negative environmental & trade impacts
- Benchmarking subsidy design to minimise negative impacts



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A specific initiative on plastics pollution and environmentally sustainable plastics trade

Like TESSD it is an informal dialogue

75 members are participating; convened by China and Fiji

Mapping the full plastics value chain life cycle

Coordination with other multilateral initiatives, initially the WCO

Also identifying Aid for Trade needs



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The WTO also has a number of regular processes in play

Trade and Environment Committee

Negotiations, although these are stalled



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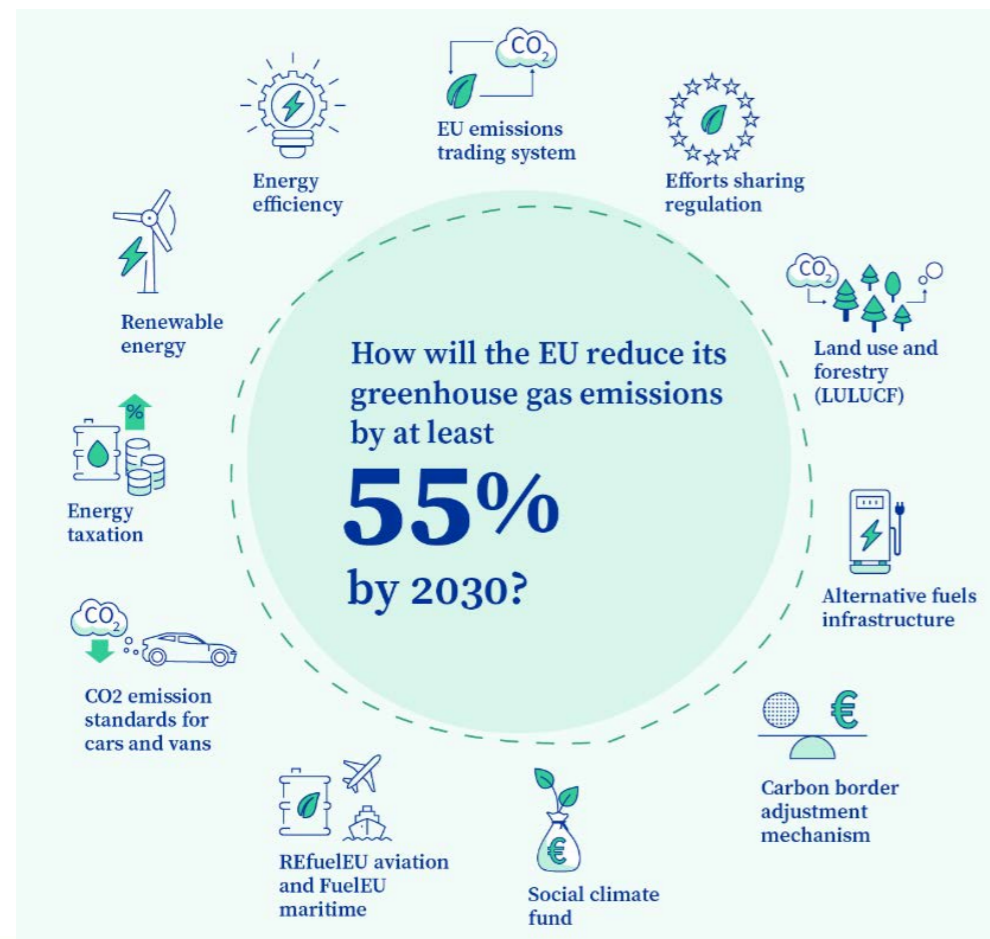
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A row of seven European Union flags on tall, silver poles. The flags are blue with twelve yellow stars arranged in a circle. They are positioned in front of a modern building with a grid of windows. The text "How can emerging European Union policy impact Australian SMEs?" is overlaid in white on the flags.

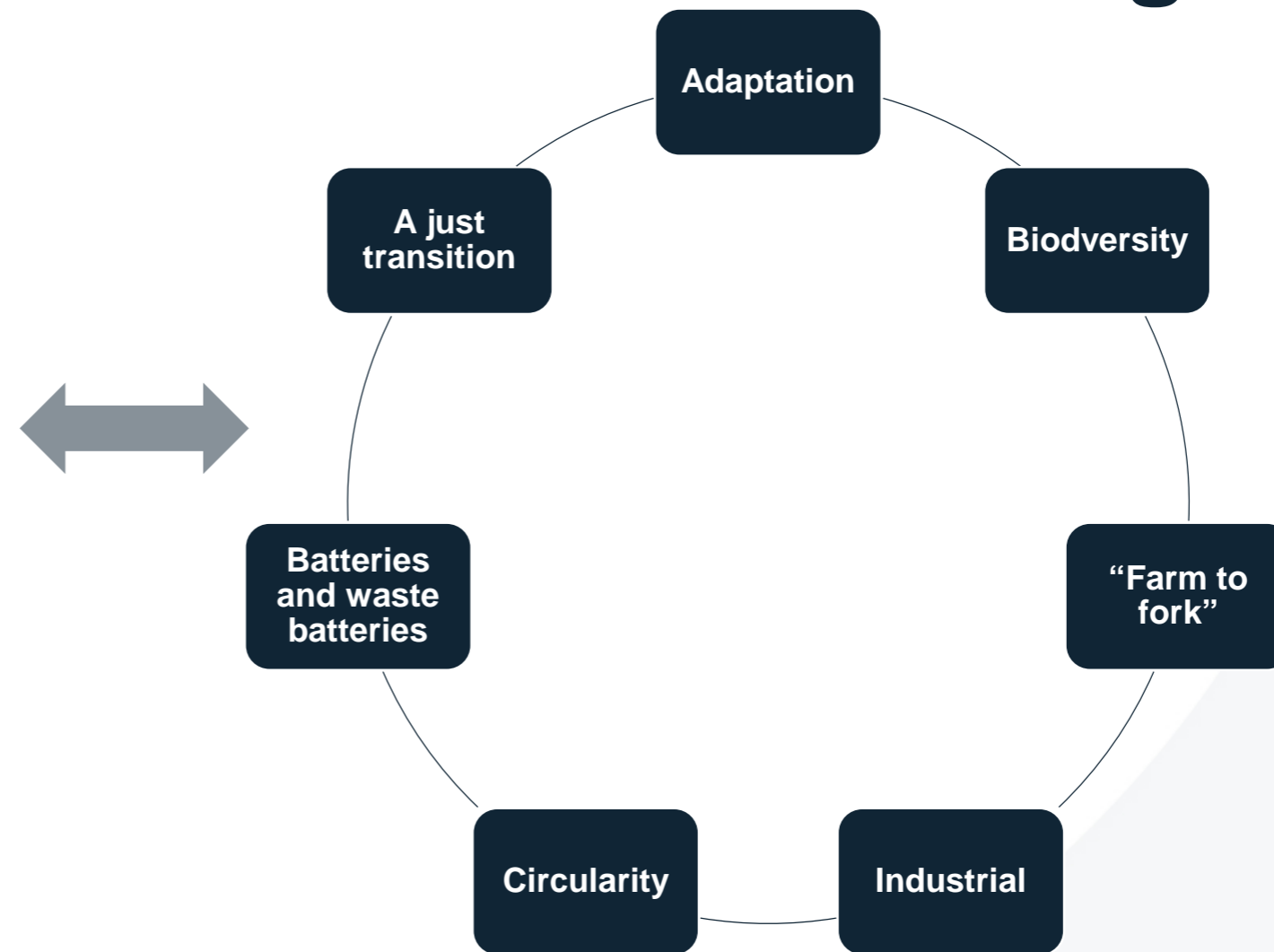
How can emerging European Union
policy impact Australian SMEs?

Principally through the “Green Deal”

“Fit for 55”



Various strategies



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Concerning trade, two important “level playing field” legislative initiatives are notable

The European Commission’s supply chain due diligence proposal

- Will oblige MNCs and medium-sized companies to enforce compliance through their supply chains
- Likely to set up a risk-monitoring and inspection regime
- SMEs not directly affected will be indirectly affected by the actions of OEMs

The impending Carbon Border Adjustment Mechanism

- Addresses the “carbon leakage” problem inherent in the [ETS](#)
- Will eventually cover all ETS sectors
- Requires trading partners to implement domestic carbon taxes
- No recognition of carbon tax equivalents



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Sectoral approaches: spiral to the top

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The Indo-Pacific Economic Framework



The Australia-Singapore Green Economy Agreement



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A white research vessel is seen from a low angle, navigating through choppy, dark blue-grey waters. The sky is filled with soft, white clouds. The vessel has a white hull and a dark upper section. The text is overlaid on the image in a bold, dark blue font.

Our forthcoming Centre of Excellence will help SMEs to navigate these choppy waters

Implemented in partnership with the GTPA and the University of Adelaide's Institute for Sustainability, Energy, and Resources + Institute for Environment



TRADE 4 CLIMATE

EVENT SERIES

NOVEMBER- DECEMBER



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