

# NATIONAL POLICY, MEAs\* IN THE TRADE Hub & TRADE AGREEMENTS

\*MEAs: Multilateral Environmental Agreements



The TRADE Hub project is being carried out at a critical juncture for global trade systems. While trade has continued to expand in the past years, several developments have called into question the sustainability of continuous trade development:

- **First**, new technological and market developments (such as automation) have increasingly favored a shortening and the regionalisation of supply chains.
- **Second**, tensions in the global trade arena (notably between EU/US with China at the WTO, and escalated trade tensions between US and China in particular) have made the trade climate worse for some market actors, due to increases in tariffs. This is also threatening successful multilateral political cooperation on trade and environment.
- **Third**, and most recently, the COVID-19 pandemic has revealed the fragility of international supply chains, and potential associated threats for nations, that may give further reasons for localisation, or at least simplification or better “risk-proofing”

Additionally, in the past year(s), regulators have increasingly pushed for stricter environmental due diligence requirements for importers – relevant legislation has been developed or is being discussed in a variety of EU countries, such as France, UK, Germany, and at the level of the EU itself.

Initiatives such as:

- the UK Supply Chain Law
- the proposed EU Regulation on disclosures relating to sustainable investments and sustainability risks, or the
- Draft EU legal framework to halt and reverse EU-driven global deforestation

are increasingly introducing regulatory initiatives in an area that had previously largely been left to the private sector and voluntary initiatives.

TRADE Hub’s research aligns with current discussions arising within the [Post-2020 Global Biodiversity Framework](#) - especially with regards to the draft Target 14 on the need for more sustainable supply chains. Our work on national policy, MEAs and trade agreements also contributes to the Sustainable Development Goals (SDGs), with a particular focus on target [17.10](#), [17.11](#) and [17.12](#) within the broader Goal 17 “Partnerships for the goals”.

Within the 5 years of the project, we hope to use the findings to engage with trade actors in the policy and governance spheres, so that high-level decision-making will be supported by empirical evidence from localized research.

**Acronyms**  
 UoR = University of Reading  
 UNEP = United Nations Environment Programme  
 UNEP-WCMC = World Conservation Monitoring Centre



# NATIONAL GOVERNMENT

Working with governments to support them in better aligning trade and trade related policies with biodiversity considerations. We do so via network building, facilitating exchange and discussions, and undertaking policy analysis.

- Working with [IEEP](#) to develop approaches to estimate and measure the biodiversity impacts of EU trade agreements (UNEP-WCMC)
- Convening discussions with the UK government, highlighting TRADE Hub research through the [Global Resource Initiative](#) Task Force on Sustainable Supply Chains, Trade and Agriculture Commission and the [COP26 Unit](#) (Chatham House)
- Linking relevant discussions at Chatham House such as Trade Policy Forum, Circular Economy, Global Forum on Forest Governance and [Hoffmann Centre](#) work on trade and sustainability
- Developing a country-specific Policy Brief: "Sustainable Soybean Trade: The Policies on the Brazilian Table" (UoR + TRADE Brazil Hub)
  - » Despite its country-level focus, the brief will also look at Trade Rules, MEAs and will contain sections relevant to the private sector
- Collating and comparing evidence of what policies have improved the livelihoods and sustainability of traded products in different geographies/ for different products and therefore what could be scaled up
- Co-developing targeted briefing notes on topics of policy interest
- Working with the [TEEB project](#) (The Economics of Ecosystem and Biodiversity) to understand potential shared interests and lesson learned
- Examining the role of ecosystem accounting to support improvements in trade and its benefits

## FUNDERS

We are investigating how the role of financiers and financial institutions shapes global commodity trade.

- Aligning [Aid-for-Trade](#) development funding (by WTO) with environmental sustainability objectives more generally, and in support of biodiversity, is one of the priority policies levers that TRADE Hub will continue to engage on in 2021

## RECENT DEVELOPMENTS

1. Many developments have been taking place in the area of green finance. Although it remains challenging to determine what "sustainability" actually means, and how to objectively assess its respective level, initiatives such as the "EU Sustainability Taxonomy", aim to create an objective benchmark for sustainable finance and
2. Public Development Banks are a central funding actor and hold great potential for upscaling biodiversity finance. The pledge of 450 Public Development Banks issued at the first ever global meeting of all public development banks in November 2020, to align funding with the Paris Agreement, indicates that there is progress in mainstreaming sustainable development in these institutions

## CAPACITY BUILDING

We are working consistently towards improving capacity and skills for all TRADE Hub members, with an emphasis on interdisciplinary learning and knowledge exchange.

- Supporting the Hub internally via capacity building on policy analysis, governance, and trade policy (UNEP/UNEP-WCMC)
- Planning to develop a comprehensive capacity building offer on trade and nature, potentially working directly with the WTO Secretariat (UNEP-WCMC)
- Releasing a learning companion on trade, development and nature in early 2021
- Planning to develop a podcast series on Trade&Nature in 2021

## RECENT HIGHLIGHT

We helped develop a chapter on Trade and the Biosphere for the [Dasgupta Review of the Economics of Biodiversity](#), examining how trade impacts biodiversity and trade related policies can help bring the economy within the constraints of the biosphere (UNEP-WCMC)

## MEAs

*We will feed into processes of Multilateral Environmental Agreements, providing the most up-to-date insights for decisions on trade and environment.*

- Supporting the CBD secretariat in the development of a trade-related indicator, under the draft target 14, for the [Post-2020 Biodiversity Framework](#) (UNEP-WCMC)
- Presented a case for supply chains to support 'resource mobilisation' for biodiversity at CBD workshop (Jan 2019) and as part of follow up paper currently in development for forthcoming meetings in early 2021 (UNEP-WCMC)
- Provided input to comprehensive review of available [indicators for the Post 2020 Biodiversity Framework](#)

- Amplifying the trade and environment intersection at [key global forums](#), such as at World Trade Organization (WTO) events. Eg: UNEP's moderation of a Multi-Stakeholder Panel Discussion on the Launch of Structured Discussions on Trade and Environment, to which WWF and Chatham House and other organizations contributed (UNEP & other TRADE Hub partners)
- Working with the main stakeholders in global trade, including the WTO Secretariat, UNCTAD, and the ITC in order to reach common goals. This includes engaging with UNCTAD on respective areas of work and joint initiatives, and developing the relationship of the TRADE Hub with the WTO Secretariat, to feed TRADE Hub findings into Member States discussions around trade and the environment (UNEP)
- Supporting WTO Member States with the development of the Draft Ministerial Declaration on Trade and Environment, which developed into the "[Agreement on Climate Change, Trade and Sustainability](#)" (ACCTS) (UNEP)
  - » One of the goals for 2021 will be to ensure that biodiversity-related language will be included in the Agreement, and to support its successful conclusion at the upcoming WTO Ministerial Conference
- Supporting WTO Member States with the Launch of the Structured Discussions on Trade and Environment (UNEP). The Initiative, which was formally launched during the WTO Trade and Environment Week in November 2020, will be rolled out in 2021
- Hosting policy related events and discussions on trade policy and nature

## METRICS AND TOOLS

*We are developing powerful models that envision future pathways for trade, as well as metrics and indicators that help plan and monitor for more sustainable trade systems.*

- Developed the [resourcetrade.earth](#) platform as a resource for Trade Hub researchers and platform to amplify impact through compelling articles (Chatham House)



## TRADE RULES

- Promoting the visibility of biodiversity related issues in the trade landscape and fostering momentum on trade and nature, via the organization of stakeholder discussions and events
- Working to identify policy levers and support their implementation
  - » Impact pathways / policy levers we are working on include: Trade and Commodity Finance, Regional Trade Agreements, Investment Agreements, Aid-for-Trade, and Green Industrial Policy
- Releasing an overview paper on Trade and Biodiversity in early 2021, which will serve as an analytical basis for an expert consultation meeting series to be held through 2021
- Working with Members of the Hub on Research Co-design and outreach to policymakers
- Analysing whether and how joining the WTO can influence environmental performance and governance at the national level (UoR)
- Exploring the impact of non-tariff measures (NTMs) on trade and environment, with a particular focus on palm oil (UoR)

**To read more about our work, check out:**

- "[The WTO Environment Week Nov 16-20](#)"
- "[TRADE Hub organizes session at the Geneva Trade Week 2020](#), "Trade, Biodiversity & Natural Resources: What role for Trade Policy in a New Deal for Nature?"