



International
Trade
Centre

Climate competitiveness: Building opportunities in the green economy for emerging and developing countries

A development cooperation project 2023-25



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The need for a rapid green transition

Climate change poses an existential threat to human development and ecological survival. A green transition is urgently required to meet this challenge.

Trade and trade policy has a key role to play in this transition. The Committee on Trade and Environment (CTE) at the World Trade Organization (WTO) is open to the entire WTO membership. The CTE contributes to identifying and understanding the relationship between trade and the environment in order to promote sustainable development. The Trade and Environment Structured Sustainability Discussions (TESSD) at the WTO was established to collaborate, prioritize, and advance discussions on the trade and environmental sustainability nexus.

This project aims to support developing countries' engagement in the CTE and TESSD by working with six countries to assess the role that trade and trade policy can play in supporting climate mitigation and adaptation objectives. It will also support MSMEs with action plans on meeting market requirements relating to climate change (e.g. in voluntary standards) and facilitate the preparation of submissions by the countries to CTE and TESSD. The format for submissions will be defined by the country and can be, for example, a case study presentation, best practices, regional initiatives or negotiation proposal.

Mauritius and climate change

The State of Mauritius is amongst the most vulnerable countries to climate change and one of the most exposed to natural hazards due to its geographical location in an active tropical cyclone basin. Mauritius is highly vulnerable to the adverse impacts of climate change (temperature rises, rising sea levels) with key sectors such as agriculture, coastal zone, fisheries, marine environment and water being at risk. Mauritius is also experiencing ever more frequent and devastating extreme weather events such as flash floods, which severely affect the economy, the ecosystem and livelihoods.

Mauritius has also revised its Nationally Determined Contribution (NDC) with more ambitious targets and has now pledged to reduce its greenhouse gas emissions (GHGs) by 40% by 2030. The Government has taken the commitment to provide an unconditional support of 35 % share of the total financial needs of USD 6.5 billion, which will be borne from its own national budget and private sector contribution. The remaining 65 % share amounting to USD 4.2 billion will rest on support from international sources and donor agencies¹.

Trade and climate change linkages

Trade has a key role to play in both building resilience and decarbonizing the economy.

Decarbonization

¹ Ministry of Foreign Affairs, Regional Integration and International Trade (Human Rights Division), Questionnaire in relation to Human Rights Council Resolution 47/24 on human rights and climate change

- Trade enables the faster dissemination of good, services and technologies that accelerate the adoption of renewable energy, sustainable transport and industry and climate smart agriculture.
- Increased trade can lead to economies of scale and lower costs of production thus making renewable energy more affordable and accessible.
- Trade can provide access to new markets and the potential to encourage investment in renewable energy and other sectors.

Building resilience and adaptation to climate change

- Trade can enable transfer of goods, services and technologies that can help countries adapt to climate change. Specifically, these can support national priorities such as deploying technologies for climate smart agriculture and water management
- Trade can support greater investment in climate technologies and resilient infrastructure.
- Trade can support capacity building to help countries build skills, expertise needed by industry to adapt to climate change.

The project

The project sets out to understand how trade and trade policy supports Mauritius's climate change mitigation objectives. i.e. decarbonization of the economy (with a focus on renewable energy) and adaptation (with a focus on its most vulnerable sectors particularly agriculture).

The project will also assess the barriers and opportunities relating to trade-related climate change measures (e.g. carbon standards or sustainability requirements) that MSMEs face and provide action plans for these companies to comply with these measures.

The project will undertake the following activities. In summary these include the following:

- Analysis through business survey and literature review of role of trade and trade policy to support deployment (Output 1)
 - of renewable energy
 - of goods, services and technologies that support resilience and adaptation to climate change
- Analysis through business survey of trade-related climate measures
- Provision of action plans for MSMEs to support their compliance with trade-related climate measures and seeking market opportunities. (Output 2)
- Preparation of a Climate Competitiveness report that presents results from Outputs 1 and 2 and develops recommendations on strategic options for building climate competitiveness of Mauritius.
- Mauritius will make a submission to the WTO CTE/TESSD based on the climate competitiveness report or on a trade and environment issue that the country prioritizes (Output 3). The submissions can take the form of best practices, green transition strategies, guidelines, capacity building projects and so forth

Selection of Mauritius

ITC has approved the selection of Mauritius following its expression of interest submitted to ITC in February 2023.

The project will run over a three-year period 2023-5. Engagement with Mauritius will begin once a mutually agree date is set. As a first step ITC will undertake a planning mission to consult with relevant stakeholders (e.g. MOIT, Ministry of Environment, Energy and Agriculture) and present the project, its objectives and methodology. The implementation of the project in country from the initial planning through to completion of Output 3 is envisaged to take 12 months.

The project's national focal point/ counterpart will be the Ministry of Trade, ideally working in close collaboration with the related Ministries (e.g. Climate, Environment, Energy, Forests, Agriculture, Fisheries etc.).

Project management

The project is managed by Alexander Kasterine, Senior Advisor (Trade and Environment) at ITC based in Geneva. The project works in coordination with other ITC projects in Mauritius managed by colleagues in country programming. Technical teams from *inter alia*, Trade in Market Intelligence and Trade for Sustainable Development will implement surveys, MSME support and engagement with TESSD/WTO.

Main focal points for country programming and technical teams

Alexander Kasterine	Senior Advisor, Trade and Environment - Project coordinator
Michaela Summerer	Associate Expert, Trade and Environment
Sébastien Turrel	Senior Programme Officer - Division of Country Programmes

For further information

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