

Rt. Hon. Anne-Marie Trevelyan MP  
Secretary of State for International Trade  
Department for International Trade  
3 Whitehall Place  
London  
SW1A 2HP

Rt. Hon. Alok Sharma MP  
President for COP26  
Cabinet Office  
70 Whitehall  
London SW1A 2AS

24th November 2021

Sent by email

Dear Ms. Trevelyan and Mr. Sharma

International trade rules are standing in the way of action on climate change. As NGOs, trade unions and civil society organisations from across the UK, we are writing to urge you to do all you can to change this. The WTO's 12th ministerial conference starting on the 29th November comes hot on the heels of COP26. For too long, international trade rules have been on the margins of conversations about climate change. The UK must now use its unique position as COP26 president and newly independent member of the WTO to ensure the impact of international trade on climate action is fully acknowledged and take steps to prevent negative impacts.

Whilst making some important steps in the right direction, the climate conference did not live up to expectations. Extreme weather events are already devastating communities around the world, and the risk of catastrophic climate change is growing. We must use all the tools available to stand the best chance of averting this. Your Government has a unique opportunity to take bold action on trade policy.

Evidence has shown that global trade can drive increases in greenhouse gas emissions. For example when trade deals lead to increases in unsustainable production, such as accelerated deforestation for agriculture. Some trade and investment rules, at the WTO and in bilateral agreements, have accelerated biodiversity loss, while others have hampered, prevented or even punished important climate action. For example, investment protections can prevent governments from introducing new regulation for fear of triggering costly treaty-based arbitration: energy company RWE are suing the Netherlands for phasing out coal-fired power stations. The UK currently has approximately €140 billion in fossil fuel infrastructure owned by investors who could sue over policies to phase out fossil fuels.

The provisions in trade deals that aim to uphold climate and environmental goals are largely aspirational and unenforceable, offering little protection or incentive for the kind of rapid policy change we so urgently need. Existing proposals on aligning trade and climate, such as the liberalisation of green goods and services, are at best inadequate and at worst could make it more difficult for lower income countries to address climate change. As currently envisaged, they stand to benefit a select group of relatively wealthier countries and fail to

account for historical responsibility or economic asymmetries between rich and poor countries.

Trade and trade agreements should explicitly give legal precedence to the rights and responsibilities of governments to take climate action without fear of legal challenge. This would help to ensure they become tools for structural transformation, providing important levers to shift our production and consumption towards zero emissions while advancing economic development, raising living standards and creating decent jobs. The question we should be asking is: how do we design our trade policy so that it helps to achieve our climate and development commitments? It is clear that a fundamental overhaul of trade rules is needed, including moving away from viewing ever-increasing trade as an end in itself.

We are calling on you as a matter of urgency, as President for COP26 and Secretary of State for International Trade, to publicly confirm the UK's commitment to ensuring trade will be aligned with climate goals. The UK should use its COP presidency and new independent membership of the WTO to:

- Work with partners to create a forum to bring trade, environment and development Ministers together to discuss this agenda, ideally via UNCTAD and the UNFCCC;
- Ensure trade agreements give priority to the needs of the Global South by upholding the aligned principles of Special and Differential Treatment at the WTO, and Common but Differentiated Responsibility under the UNFCCC;
- Put pressure on the WTO to change its rules to ensure that they do not slow down, constrict, raise the cost of or otherwise interfere with climate action. The first step should be a fast and comprehensive "climate waiver" that prohibits countries from challenging each others' climate policies under the WTO;
- Work at the WTO and in bilateral deals to expand policy space for green industrial policies that support decent jobs; enhance intellectual property rights flexibilities and technology transfer incentives for climate and environment-related goods; and support the transition to renewable energy in the South.
- Immediately phase out the most damaging aspects of UK trade agreements, including investor-to-state dispute settlement (ISDS) mechanisms and work with other countries to do the same.
- Ensure meaningful engagement with a broad range of stakeholders.

We want to see much more leadership from the UK on ensuring trade is aligned with climate goals, at a time when we could be driving important change. This is an opportunity to make sure that bold proposals for change lead the narrative at MC12.

Signed:

Ruth Bergan, Senior Adviser, Trade Justice Movement

Charlotte Timson, CEO, Traidcraft Exchange

Miriam Turner & Hugh Knowles, Co-Executive Director, Friends of the Earth England, Wales and Northern Ireland

Nick Dearden, Director, Global Justice Now  
Kath Dalmeny, CEO of Sustain, the alliance for better food and farming  
Caoimhe de Barra, Chief Executive Officer, Trócaire  
Nick Palmer, Head of Compassion in World Farming UK  
Asad Rehman, Executive Director, War on Want  
Aileen Burmeister, Head of Fair Trade Wales, Cymru Masnach Deg  
Sarah Hirom, Trustee, One World Week  
Thulsi Narayanasamy, Head of Labour Rights, Business & Human Rights Resource Centre  
Allison Roche, Policy Advisor on Trade and Climate Change, UNISON