

Brief from Webinar 4: 6 December 2023

Climate justice and Trade systems



Regional Network for Equity in Health in east and southern Africa (EQUINET) through Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) with Training and Research Support Centre



Background

In the 2022 EQUINET conference on Catalysing change for equity and social justice in health, climate justice was identified as intersecting with and impacting on key drivers of health equity in east and southern Africa (ESA). The EQUINET steering committee thus initiated a programme to integrate climate justice in all key areas of its work, including on trade and health systems. To support this, in 2023 – 24 EQUINET is organising a series of online dialogues to share knowledge and perspectives from community/local, national and international level on the impact of climate trends, the intersect with the other drivers/ determinants of inequity, the implications for policy and action that links climate to health equity and vice versa, and the proposals for policy, practice, research, and action.

This brief reports on the issues raised in the fourth webinar in the series on climate justice and trade systems, convened by the Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI-Southern Africa) is the EQUINET steering committee lead of work in ESA on engaging in global policies. The webinar was held on Wednesday 6th December 2023, with 15 participants from seven different countries (Botswana, Malawi, Madagascar, Mauritius, USA, Uganda and Zimbabwe). It was moderated by Rangarirai Machedze of SEATINI Southern Africa, with technical support from Belinda Ncube, TARSC Consultant.

The three panellists were Ms. Deborah James, Coordinator of Our World is Not for Sale Network on Global policies, rules and forums on climate and trade systems including WTO, EPAs and the African Continental Free Trade Area, Mr Sydney Chisi Reyna Trust, Zimbabwe on the local experiences of the Impact of Climate change on local health systems and trade; Mr. Robert Letsatsi, Director of Botswana Watch, Botswana, on National issues and actions on climate justice and trade systems. The presentations were followed by participant discussions and interaction with presenters in the plenary, including in the 'chat'. The video of the webinar is available at <https://www.youtube.com/watch?v=wVSUq6hXuHg>

This brief summarises key points raised by speakers and participants on

- how climate features are impacting on trade and health systems;
- the actions that need to be taken to address these issues at local, national and regional level and in international/ global level processes and forums from a regional lens; and
- issues raised to be further discussed in the other thematic webinars.

Climate impacts on trade and health systems

- **The nexus between trade, climate change and health** in the African context is a complex and multifaceted issue. Trade is an underlying driver of greenhouse gas emissions globally. Changes in trade structures, economic growth and technology impact on the greenhouse gas emissions generated and these have significant implications for health in Africa. As a result of this, climate change can lead to increased morbidity and mortality due to heat stress, malnutrition, diarrheal diseases, malaria, dengue fever, and other vector-borne diseases. Climate change can also exacerbate existing health problems such as respiratory diseases, cardiovascular diseases, and mental health disorders. Trade is thus one of the largest contributors to global emissions that cause catastrophic climate change. Most greenhouse gas emissions have been released since the inception of the World Trade Organization (WTO) in 1995.

- There is now an effort among high income countries, particularly the European Union (EU), to promote “sustainability” and “environmental” **provisions in trade agreements**, such as in the WTO and any other free trade agreements that they are part of. They propose that such facilities and mechanisms will integrate communities to be part and parcel of the solution. However, the role of neoliberal globalisation that manifests through the current trade architecture exacerbates climate change through unsustainable production and extractive practices to satisfy corporate profit. The proposals would do little to combat climate change. Instead, their proposals seem intended to give protectionist benefits and advantages to EU (or US based) industries, while at the same time, limiting and sometimes even reducing market access for low and middle income countries to their markets.
- An example of these proposals is the **Carbon Border Adjustment Measures (CBAM)** by the EU, a measure to use trade and environment rules to benefit local producers. An UNCTAD 2021 Trade and Development Report projects that CBAM will lead to a fall in export competitiveness of low and middle income countries in many energy-intensive products including those produced by many African countries. It estimates that CBAM will reduce global carbon emissions by not more than 0.1%, but with huge distributional impacts. It will increase real income in High income countries by \$2.5 billion while real income in low and middle income countries will fall by USD \$5.9 billion. Within the EU, this is said to benefit local producers but at the WTO, the EU say that it’s not discriminatory.
- The **US Inflation Reduction Act** intends to use trade and investment policies to benefit domestic producers. That enabled it to pass through the legislature, but it remains a discriminatory law. Such proposals by the EU and the US would maintain their economic dominance through patents on green technologies, which are enforced by the WTO's agreement on “trade-related intellectual property rules”. At the same time, high income countries oppose proposals by low and middle income countries that would address climate change, in a way that would also allow them to pursue development.
- Low and middle income countries have been clamouring for **climate finance** and for 14 years. No funding has come through leading to rising demand communities and other interested stakeholders.
- Efforts around trade justice take note of the vote on UN general assembly on inequalities and inequities around **tax issues**. Poor countries will need to borrow more to build their resilience but this will exacerbate their debt burdens making communities further vulnerable. High income countries introduced a carbon tax as a mechanism for countries to utilise their natural resources in exchange of climate finance. It is identified as a false solution and does not meet the requirements of emission reductions, because the global north will continue to emit through unsustainable practices.
- **Community involvement** in the trade systems, especially with the way food systems are structured and configured makes it difficult for equity to be realised. The food that is being produced at the macro level is being used for export and not to feed people.

Actions to address climate impacts on trade and health systems

A ministerial conference of the World Trade Organisation is taking place in Abu Dhabi in February 2024. It is a huge platform for negotiations. The following actions need to be considered:

- Support low and middle income countries, particularly the Africa Group that is leading **demand that negotiations centre on technology transfer as a solution**. African civil society could develop a letter calling attention to these proposals and demanding that African countries defend them and not give in to false so-called solutions. The issues around technology transfer include:
 - Identify a list of green technologies and declare them at national level as global public goods that should not have patents.
 - Make further TRIPS flexibilities to facilitate patent-free transfer of identified green technologies.
 - Ensure adequate policy and fiscal space for low and middle income countries to design their trade policies to integrate environmental goals. Include a “Climate Waiver” in

identified agreements that are part of the WTO, such as the “Trade Related Investment Measures” (TRIMS), TRIPS and others.

- Take into account in negotiations ‘Common But Differentiated Responsibilities’ and Special and Differential Treatment in the WTO. Use the Committee on Trade and Environment (CTE) as the right multilateral forum for discussions on these issues at the WTO as it includes ALL members and demand that ESA countries get out of any so-called “plurilateral” effort at the WTO.
- Demand Special Drawing Rights in the International Monetary Fund, as the only type of finance creation for low and middle income countries that has flexibility in their usage; does not have conditionalities; and does not create debt
- The United Nations Conference on Trade and Development (UNCTAD) proposed in 2022 a positive Trade and Environment Agenda for development that, among others suggests **incentivising green industrialization** through:
 - Transforming the energy mix, including incentives for green energy production;
 - Mobilizing financial resources, providing additional finance to promote trade in environmentally sustainable products;
 - Encouraging innovation in green technologies;
 - Building technical capacities, especially of Least Developed Countries (LDCs) and Small Island low and middle income States (SIDS), in setting up climate-smart infrastructure;
 - Providing incentives like a zero tariff regime for plastic substitutes, which are mostly produced in low and middle income countries.

Issues to carry forward for future webinars

- What is our response to the wider issues affecting trade being advanced by high income countries eg finances, legal issues?
- Access to food and water are long-standing issues – can we now focus on specific aspects of such issues that are specific to climate change? Renewable energy is key. What are we doing as countries in the ESA region to promote solar farms?
- How do we tackle the challenges? What steps should we take for action at national level?
- How do we support African countries counter the hegemonic practices of the high income countries? Can we provide briefs on issues relevant to agriculture, Special and Differential treatment, technology transfer, Common but differentiated responsibilities) to support negotiations at global forums such as the WTO.
- What preparations are we doing as African countries before the Ministerial meeting of the WTO? How can we come up with consolidated messages and responses to such global forums?
- Can we discuss these issues in detail in an in person meeting or capacity building activity where we can give them more time?
- We should continue to strengthen alliances that advance equity in trade and health