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Promoting a Symbiotic Relationship Between Trade Policy and Climate Action

By Vahini Naidu

This paper is based on remarks delivered in the lead up to COP30. It outlines how African countries are working to align trade, climate action, and development priorities through early transparency on climate-related trade measures, technology transfer, and the protection of policy space for green industrialisation. It also highlights the growing focus on critical minerals, the rise of unilateral climate-related trade measures, and the need to bring scattered initiatives into a coherent multilateral framework that supports fair and sustainable outcomes.

Cet article s'appuie sur des remarques formulées à l'approche de la COP30. Il décrit comment les pays africains s'efforcent d'aligner leurs priorités en matière de commerce, d'action climatique et de développement grâce à une transparence précoce sur les mesures commerciales liées au climat, au transfert de technologies et à la protection de l'espace politique pour une industrialisation verte. Il souligne également l'attention croissante portée aux minéraux critiques, la montée des mesures commerciales unilatérales liées au climat et la nécessité de rassembler les initiatives dispersées dans un cadre multilatéral cohérent qui favorise des résultats équitables et durables.

Este documento se basa en las observaciones formuladas en el período previo a la COP30. En él se describe cómo los países africanos están trabajando para armonizar el comercio, la acción climática y las prioridades de desarrollo mediante la transparencia temprana en las medidas comerciales relacionadas con el clima, la transferencia de tecnología y la protección del espacio normativo para la industrialización ecológica. También se destaca la creciente atención que se presta a los minerales críticos, el aumento de las medidas comerciales unilaterales relacionadas con el clima y la necesidad de integrar las iniciativas dispersas en un marco multilateral coherente que respalde resultados justos y sostenibles.

The interface between trade and climate action has become central to global economic governance. As we look ahead to the United Nations Framework Convention on Climate Change (UNFCCC) 30th Conference of the Parties (COP30) in Belém and the World Trade Organization (WTO) Fourteenth Ministerial Conference in Yaoundé, this is a moment to consider how the multilateral system can promote a genuine alignment between trade, climate, and development.

For a long period, the WTO's Committee on Trade and Environment (CTE) was largely dormant. Discussions were limited to information exchange, and few Members viewed it as a setting for substantive policy debate. This has changed in recent years, with widened participation, an expanded agenda and developing countries, including from Africa, playing an increasingly active role. This has helped to reorient the conversation on trade and climate at the CTE towards inclusivity, transparency, and development priorities.

African Members have anchored their engagement in the CTE in three principal areas. First, proactive transparency and *ex ante* impact assessments of climate-related trade measures. African delegations have underlined that transparency must not end with *post-hoc* (after-the-fact) notifications. It should include early information sharing, structured dialogue, and practical support to assess the impact of new measures on trade and development. The call is for a framework that allows developing countries to understand and respond to new climate-related standards or border adjustment measures that will affect their exports, value chains, and industrialisation plans.

Second, the operationalisation of technology transfer and capacity-building commitments. This must move beyond the exchange of technologies towards ensuring their real diffusion, affordable access, and adaptation to local contexts. The African Group has argued for a multilateral framework on technology transfer that links trade rules directly to development outcomes, especially in digital and green sectors. Operationalising technology transfer should mean building the innovation systems, human skills, and institutional capacities needed to drive Africa's green industrial transformation. It also means strengthening South-South and North-South

cooperation so that technologies are integrated into national and regional development strategies. Mainstreaming adaptation, technology diffusion, and support for just transition in developing countries into the Just Transition Work Programme at COP30 will help African governments, industries, and communities participate fully in the global green transition.

Third, the preservation of policy space for green industrialisation, energy access, and job creation. Africa has made clear that industrial policy is not a deviation from global trade rules but a foundation for sustainable development. The African Group has consistently argued that WTO reform must rebalance existing rules that limit the ability of developing countries to industrialise and diversify. This includes reviewing the WTO agreements on subsidies and Trade-Related Investment Measures (TRIMS) to restore the flexibilities needed for investment promotion, local content development, and research and development support. The Group has also called for reinstating non-actionable subsidies that promote technological innovation, sustainable development, environmental protection, and regional growth; and cautioned against opening environmental goods markets before domestic industries can compete on a level playing field.

A credible trade and climate framework must therefore safeguard each country's right to define its own path to industrialisation, while fostering transparency and cooperation.

This engagement demonstrates Africa's growing confidence in shaping how trade and environmental objectives can be reconciled. It also reflects the continent's discernment of what a credible green transition entails. African countries recognise that their sustainable industrialisation depends on access to affordable technologies, reliable financing, and long-term investment in building human and institutional capacity. The African Group has therefore linked its engagement in the CTE to its broader agenda on industrial policy, technology transfer, and structural transformation, as outlined in its proposal on [Policy Space for Industrial Development](#) and the recent paper on Africa's proposals for [reforming the WTO](#).

At the same time, African Members have not shied away from expressing concerns. The rapid growth of parallel initiatives such as the Trade and Environmental Sustainability Structured Discussions and the [Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade](#) has created both opportunities and risks. These forums have introduced useful perspectives but have also fragmented the policy landscape. Many countries, developed and developing, have noted the duplication of work, the heavy burden on limited delegations, and the creation of informal norms developed outside the WTO's consensus-based framework.

The challenge before us is how to consolidate these strands into a coherent approach for a multilateral trading system that works for all. The CTE remains the legitimate forum for trade and environment discussions, and its centrality must be reinforced. African delegations have consistently called for greater coordination between the WTO and other processes to avoid fragmentation and ensure that policy coherence is preserved.

African countries have also examined, with rigour, the implications of new climate-related trade measures such as the European Union (EU)'s Carbon Border Adjustment Mechanism (CBAM) and the Deforestation Regulation. These measures create additional compliance burdens and new forms of protectionism. Many African exporters face structural disadvantages in meeting such onerous reporting and certification requirements, and there is no guaranteed support for facilitating their adjustment to these unilateral regimes. The African Group has called for prior notification, dialogue, and technical assistance to ensure that these, and future measures taken in the guise of climate ambition, do not undermine sustainable development or market access.

Beyond these defensive concerns, Africa's engagement is defined by a forward-looking vision. The Group's recent communications emphasise that policy space for green industrialisation is essential. Africa cannot be expected to transition without the tools necessary to build domestic and regional production capacity. The continent's critical minerals will play a defining role in the global energy transition, but that contribution must be governed by principles of sovereignty, transparency,

and value addition at source. The goal is not only to supply, but to process, innovate, and trade competitively within a fair global framework that enhances the benefits countries derive from their natural resources.

In that context, the South Centre is proposing the adoption of mechanisms to strengthen transparency and accountability in the global trade of critical minerals, including a notification and reporting framework on the sourcing, processing, and value addition of critical minerals. This could help ensure fair pricing, traceability, and responsible investment, while advancing Africa's ambition to capture a greater share of value from its resources. A broader multilateral cooperation framework on trade and environment could complement this by improving information sharing and linking trade policies directly to financing and technology transfer.

At COP30, Brazil's [proposal](#) for establishing an Integrated Forum on Climate Change and Trade (IFCCT) under the COP Action Agenda provides an opportunity to address the growing intersection of trade and climate in a structured and inclusive manner. The proposal sets out an informal, non-binding, and non-negotiating framework designed to complement, and not replace existing institutions, notably the WTO and the UNFCCC. Its added value lies in its aim to create a space for increased cooperation among trade and climate communities, fostering mutual understanding, and identifying solutions that align ambition with equity.

For Africa, policy coherence in the trade and climate sphere is a political and practical necessity. Climate-related unilateral trade measures cannot be allowed to impose disproportionate costs on developing countries or to shape new hierarchies of competitiveness. The IFCCT can help foster transparency, but these discussions must ultimately be anchored within the Just Transition Work Programme on at COP30. Linking the trade-climate interface to the broader objectives of sustainable development, poverty reduction, and job creation is the only way to ensure that international cooperation translates into meaningful outcomes.

Africa and Brazil, together with other partners from the global South, have a shared responsibility to drive this

conversation towards implementation. The aim is not to add new processes, but to ensure that trade, climate, and development are treated as mutually reinforcing. Practical steps for its effective realisation include:

- Embedding adaptation, technology transfer (including diffusion and technology access), and support for just transition in developing countries into the Just Transition Work Programme at COP30;
- Establishing structured coordination between the COP, WTO, and United Nations (UN) agencies to promote policy coherence and reduce duplication;
- Creating mechanisms to monitor delivery of support commitments to developing countries.

These measures would bring a degree of order and accountability to an increasingly complex and fragmented landscape.

We also need to be realistic about the context in which we are working. The multilateral system is under visible strain. The WTO reform discussions at the Group of Twenty (G20) saw divergences on even the most basic terms of multilateral cooperation and engagement. It is a reminder of how deep the political divides have become. In this environment, meaningful progress is unlikely to be gained in new declarations, but in steady cooperation, practical solutions, and a shared commitment to fairness and development.

African countries have shown that participation in international processes is important, but it cannot be the end point. It must lead to coordinated, sustained action by all stakeholders. This requires continued investment in institutional capacity, expanding technical expertise in standard-setting bodies, and aligning regional and national policies around shared development priorities.

Governments have a particular responsibility to ensure that trade and climate policies work in the public interest and remain accountable to the people they are meant to serve. Civil society, academia, and the private sector are essential partners in this effort. Their knowledge, scrutiny, and collaboration help keep policies grounded in evidence and responsive to national needs. Together, these partnerships can make the trade–climate agenda more transparent, credible, and effective.

The WTO's work on trade and the environment shows signs of progress, but also of imbalance. The CTE has regained relevance in the current moment, new initiatives have emerged, and Africa's engagement has become more visible and substantive. The next step is to bring these efforts together in a coherent framework that advances both climate ambition and development priorities.

If the next phase of trade and climate cooperation is to support development and strengthen multilateralism, it must carry the imprint of developing countries as equal partners in shaping the rules and outcomes of a fairer global system.

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