

UNCTAD Inputs to the Belém Mission to 1.5

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UN Trade and Development (UNCTAD) is the focal point within the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development.¹

This submission has been prepared in response to the UNFCCC Call for Inputs for the Belém Mission to 1.5 in their letter of 21 May 2026.

What action areas and solutions have the highest impact potential to support the submission, ambition and implementation of NDCs and NAPs?

Trade and trade policy can act as enablers and barriers to the implementation of Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs):

- Strong dependence on exports from energy-intensive sectors can constrain progress to keep national climate goals within reach. Out of 103 commodity-dependent countries, 33 rely mostly on energy exports.² Within this group, 25 countries demonstrate high commodity dependence, with energy exports constituting over 80 per cent of their merchandise exports. Their export revenues and fiscal resources depend heavily on maintaining these activities.³ Advancing climate objectives and economic resilience in commodity-dependent developing countries requires economic diversification that can mitigate the potential impacts of the transition on jobs, incomes, export earnings and domestic resources mobilization. Economic diversification through structural transformation is therefore essential for building resilient, sustainable growth in commodity-dependent economies.⁴
- The continuing expansion of international trade in environmental products and services is creating new opportunities for developing countries, but trade policy needs to be better aligned with climate goals. Developing countries increasingly leverage their comparative advantages in biodiversity-based and low-carbon goods to support diversification and contribute to environmental sustainability.⁵ However, tariff and non-tariff measures remain a feature of global trade policy. When not adequately designed, coordinated, and implemented, tariff and non-tariff measures can increase costs, restrict market access, create trade distortions, and disproportionately affect developing countries, thereby reducing the effectiveness and fairness of climate mitigation efforts.⁶

¹ See <http://www.unctad.org>

² Energy exports include exports of coal, petroleum oil, natural gas, and others.

³ UNCTAD (2025). [The State of Commodities Dependence 2025](#).

⁴ UNCTAD (2023). [Commodities and Development Report 2023](#).

⁵ UNCTAD (2026). Trade and Development Commission, Sixteenth Session, [Supporting diversification for sustainable and resilient development \(TD/B/C.I/63\)](#).

⁶ UNCTAD (2023). [Making trade work for climate change mitigation: The case of technical regulations](#).



- According to UNCTAD 2023 analysis, average tariffs on goods related to renewable energy production are roughly twice as high as those for fossil fuels. Average tariffs on these goods range from approximately 2.5 per cent in Asia and Oceania to 7.1 per cent in Africa.⁷ Especially, developing countries' average tariffs on products that are part of the solar and wind energy technology value chains are often higher than those in developed countries.⁸ Tariffs on non-plastic substitutes are also twice as much on average as fossil fuel based plastic mater.⁹
- UNCTAD identified 2366 climate change-related non-tariff measures, which affect 26.4 per cent of global trade. In nominal terms, this represents US\$ 6.5 trillion worth of global trade (2017-2021 average). For the more heavily regulated products and countries, the impact of climate change-related non-tariff measures can increase costs by 5-10 per cent.¹⁰

Trade and trade policy have untapped potential to support the implementation of NDCs by facilitating the diffusion and uptake of low-carbon technologies and by aligning policy instruments with climate objectives.

- The inclusion of trade measures in NDCs can secure enhanced means of implementation in support of national climate goals.⁷ Trade policy, when aligned with climate goals, can help countries leverage supportive policies and regulations and coherent trade, investment, and financing strategies to advance climate, biodiversity, and pollution ambitions.¹¹ Measures such as tariffs, technical regulations, subsidies, and public procurement can be used to support climate-relevant sectors and green value chains, including those identified in countries' NDCs.¹²
- Trade policy that facilitates access to international services markets can enable developing countries to source reliable, high-quality, and specialized services that are essential for strengthening science, technology, and innovation capabilities needed to support the energy transition.¹² By lowering costs of renewable energy deployment, among other environmental goods and services essential for implementation of NDCs and national mitigation and adaptation plans, trade policies can accelerate energy transition and climate action.⁸
- A country's mix of climate and development policies tailored to its needs and capacities can offer opportunities to diversify the economic structure towards more sophisticated sectors with more growth and decent job potential. Depending on countries' specific economic circumstances, explicit carbon prices, such as carbon taxes and emissions trading systems, are often part of the mix, in combination with other measures, such as energy-use taxes, regulations, and low-carbon subsidies, that create an implicit price on emissions incentivizing reductions of fossil fuels and generates government revenue that can be used to support a just transition. By pairing carbon pricing with fiscal policies that reduce taxes on labor and capital through the increased revenues of carbon

⁷ UNCTAD (2023). [Mapping trade-related measures in Nationally Determined Contributions](#).

⁸ UNCTAD (2024). [Powering trade: Fine-tuning trade policy for solar and wind energy value chains](#)

⁹ UNCTAD (2025). [Mobilising trade to curb plastic pollution. Global Trade Update: Policy Insights; UNCTAD \(2023\). Plastic Pollution: The pressing case for natural and environmentally friendly substitutes to plastics.](#)

¹⁰ UNCTAD (2023). [Trade regulations for climate action: New insights from the global non-tariff measures database.](#)

¹¹ UNCTAD (2025). [Fostering BRICS leadership on climate ambition amid trade and climate tensions](#)

¹² UNCTAD (2025). [Trade Policies to Advance National Climate Plans.](#)



pricing, low-carbon structural changes and diversification from fossil fuels can contribute to economic development.¹³

Trade and trade policy can support the implementation of NAPs through unlocking green, blue, and circular economies.

- Biodiversity-based trade, when it is guided by sustainability principles such as UNCTAD BioTrade Principles and Criteria, can support adaptation by promoting sustainable production systems that protect ecosystems, reduce environmental pressures and help communities maintain their natural resource base under climate stress.¹⁴
- Ocean economy is estimated to support 600 million livelihoods and 100 million jobs worldwide, with the vast majority in developing countries.¹⁵ Trade can let countries transition towards a sustainable ocean economy that provides greater resilience against external shocks and climate change. Sectors such as sustainable fishing and aquaculture, seaweed culture, ecotourism, marine biotechnology and offshore renewable energy, can help preserve marine and coastal ecosystems while diversifying and improving resilience of value-added economic opportunities for coastal communities.¹⁶ Furthermore, UNCTAD is working closely with UNIDO, FAO, UNESCO-IOC and GSC on transforming global seaweed systems for climate-resilient coastal livelihoods, biodiversity and inclusive blue economies, under the umbrella of the United Nations Global Seaweed Initiative (UNGSI) and in line with the COP 30 Global Action Agenda.
- Trade in non-plastic substitutes can support climate-smart agriculture. Organic mulching using crop residues can improve soil health, enhance carbon sequestration, reduce plastic leakage, and help regenerate degraded lands.¹⁷ Also, sustainable packaging alternatives, including biodegradable jute liners, compostable sacks, and seaweed-based bioplastics, can reduce environmental impact while protecting food safety and export quality.¹⁸

To support countries in designing and implementing their NDCs and NAPs, UNCTAD has produced evidence-based tools for policymakers to better identify their trade-related actions and better integrate their trade and climate policies.

- UNCTAD provides a step-by-step guide, *Trade Policies to Advance National Climate Plans*, for policymakers to harness trade measures to advance national climate plans aligned with SDGs. The guide suggests steps to facilitate affordable access to climate-relevant technologies while also exploring low-carbon green export strategies to provide fiscal space to maintain climate and SDG ambitions. Options for national trade policies include tariff reductions for renewable energy equipment and their components, fossil fuel subsidy reform, procurement policies and other market-based mechanisms, and technical regulations such as energy efficiency requirements, applied in

¹³ IMF, OECD, UN, The World Bank, and WTO (2024). [Working together for better climate action](#).

¹⁴ UNCTAD (2025). [Trade and BioTrade's contribution to the Kunming-Montreal Global Biodiversity Framework and synergies with the other Sustainable Development Goals](#).

¹⁵ UNCTAD (2025). [Global Trade Update \(June 2025\): Sustainable ocean economy](#).

¹⁶ UNCTAD (2023). [Trade and Environment Review 2023](#).

¹⁷ UNCTAD (2025). Plastic substitution in developing countries: Sectoral opportunities and challenges. For more information on the UK-UNCTAD SMEP Programme project, see [FRESHPPACT](#) and [The Agrimulchfilm Project](#).

¹⁸ Ibid.



accordance with national circumstances and national development goals.¹² Reducing tariffs and non-tariff barriers on adaptation-relevant technology such as cooling or irrigation systems are other examples.¹⁹

- The guide has been translated and operationalized into a technical cooperation tool that allows national stakeholders from beneficiary countries to initiate a country-level dialogue on trade and climate change, enhance alignment, and harness the synergies between trade and climate policies. By June 2026, Madagascar, Senegal, and the Gambia have asked UNCTAD for support in organizing technical consultations based on the guide.²⁰ For example, the consultation for the Gambia identified a set of climate-strategic trade sectors, including low-carbon agro-processing and sustainable fisheries. It also identified investment in renewable energy and technology to transform fish waste into fertilizers to add value to fish before exports. These trade-related climate measures will inform the preparation of the country's NDC 3.0 and related implementation plans.²¹
- To complement the above guide from the investment perspective, UNCTAD also provides a guide on *Leveraging Foreign Direct Investment to Advance National Climate Plans*. When foreign direct investment is strategically directed, it can help expand infrastructure and strengthen productive capacities in climate-strategic sectors, such as renewable energy, sustainable transport, agriculture, tourism, and the blue economy. The guide provides guidelines and implementation checklists for integrating foreign direct investment in the NDCs, mainstreaming climate in investment policy, and promoting investment in climate-related sectors.²²
- Capacity building is essential for integrating trade and climate policy. Strong institutional capacity enables countries to design and sequence low-carbon transition pathways and assess their co-benefits and trade-offs.¹¹ To strengthen the capacity of public and private stakeholders, for example, UNCTAD has been providing the eLearning course *Harnessing trade to advance national climate and development goals*. Its first edition in 2025 attracted over 500 applications. The 2nd-edition course in 2026 reached 779 applications from over 100 countries and demand is growing.²³

What is required to further strengthen international cooperation to enhance ambition and enable the effective implementation of NDCs and NAPs?

Trade-related measures are increasingly used in national climate plans.²⁴ However, trade-related climate measures implemented by developed economies increase trade costs, including compliance costs. These costs could significantly affect countries' relative competitiveness and market access, especially for vulnerable economies with limited capabilities and access to resources. International coordination and collaboration based on international standards and adapted to national and local

¹⁹ IISD (2025). [Technology Transfer for Climate Change Adaptation](#).

²⁰ For example, see [Au Sénégal, des consultations techniques mettent en avant le potentiel du commerce comme outil d'action climatique](#).

²¹ [National consultations: The Gambia explores the integration of trade-related measures into the country's Nationally Determined Contribution \(NDC\) and sector strategies | UN Trade and Development](#)

²² UNCTAD (2025). [Leveraging foreign direct investment to advance national climate plans](#).

²³ [eLearning course: Harnessing trade to advance national climate and development goals – 2nd edition | UN Trade and Development](#)

²⁴ UNCTAD (2025). [Global Trade Update \(November 2025\): Trade – a catalyst for achieving the Paris Agreement](#).



context and capacity is essential to maximize positive cross-border spillovers and minimize negative spillovers of trade-related climate measures.¹³

- International collaboration can focus on ensuring the transparent application of trade-related climate measures and developing common principles and rules to prevent unnecessary barriers to trade and arbitrary or unjustifiable discrimination as called for by Article 3.5 of the UNFCCC.¹³
- Accelerating and strengthening the governance of ongoing international collaboration to align methodologies and frameworks for measuring carbon intensity and product-specific emission metrics can strengthen the credibility and comparability of national efforts, reduce compliance costs, and support greater policy coherence.¹³
- Countries can cooperate in trade in environmental goods and services. By securing affordable access to climate-relevant technologies and building productive capacity, trade can also enable developing countries to expand low-carbon and green exports and diversify into more sustainable and climate-strategic sectors, which in turn can support their climate efforts.²⁵ To support countries in capturing their comparative advantage and opportunities in trade in environmental goods and services, UNCTAD provides datasets of environment-related trade, including biodiversity-based goods, ocean goods and services, and non-plastic substitutes, and green industrial goods.²⁶
- Regional integration and South–South trade partnerships provide pathways for low-carbon economic diversification. For instance, the Global System of Trade Preferences among Developing Countries, as the only interregional South–South trade framework, can reduce transaction costs and improve market access, affordable climate-relevant technologies among developing economies, to support resilience and export diversification and participation in emerging sectors, including renewable energy value chains.⁵
- UNCTAD and other international organizations can support developing countries to better integrate trade and climate policies with technical assistance, capacity building, and analytical work. UNCTAD is continuing these efforts in collaboration with a broad coalition of partners by leading the Harnessing Trade Policy for NDCs, Low-Carbon Economic Diversification and Climate Resilience Plan as a COP30 Plan to Accelerate Solutions.²⁷ UNCTAD is also implementing the Plan to Accelerate Solutions on the Multiple Benefits of Algae Aquaculture, for COP30 Key Objective 9 of More resilient, adaptive, and sustainable food systems.²⁸

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²⁵ UNCTAD (2023). [Technology and Innovation Report 2023](#).

²⁶ [Data Insights | UNCTAD Data Hub](#)

²⁷ [Harnessing trade policy for climate resilience | UN Trade and Development \(UNCTAD\)](#)

²⁸ [United Nations Global Seaweed Initiative \(UNGSI\) | UN Trade and Development \(UNCTAD\)](#)





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