



Trade and Environmentally-Sustainable Recovery

*What is the status of recovery efforts to date?
How can international trade and finance better support a sustainable recovery?*

**Side event of the
MEETING OF THE WTO COMMITTEE ON TRADE AND ENVIRONMENT
Tuesday 22nd of June 2021**

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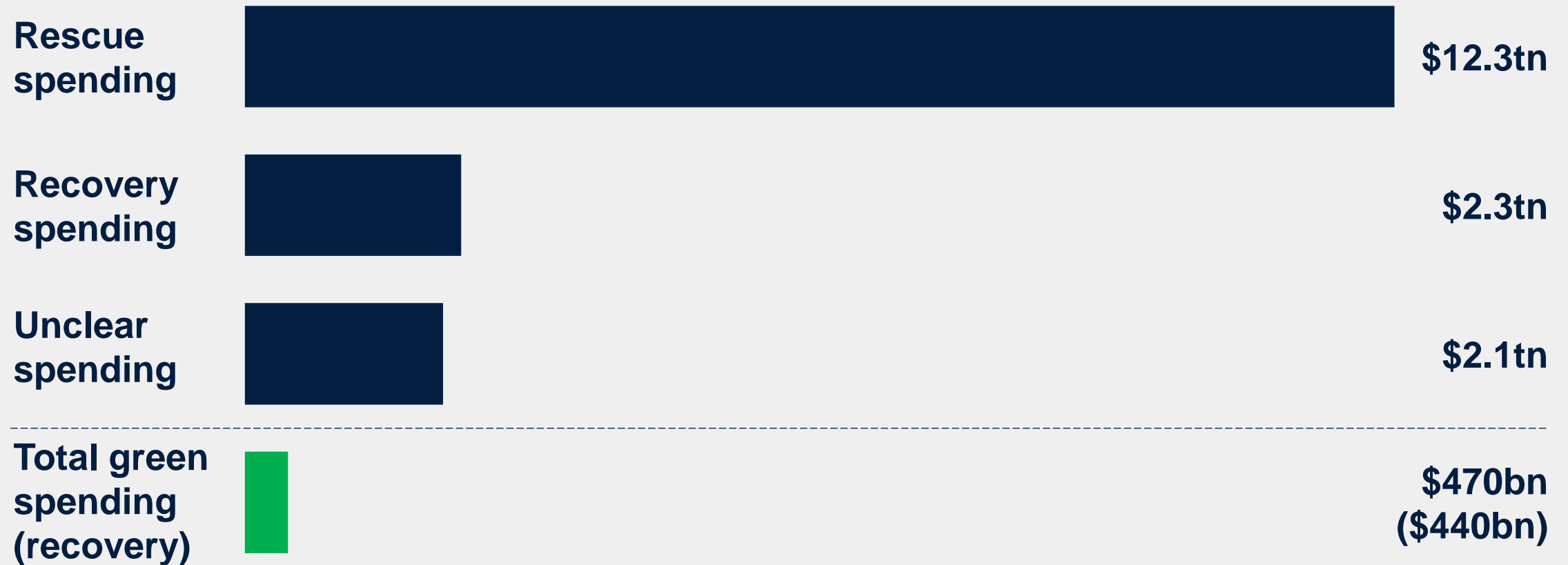
\$16,700,000,000,000

Note: excludes currently unclear funds from the European Commission. Including these funds, the total approaches \$20tn.

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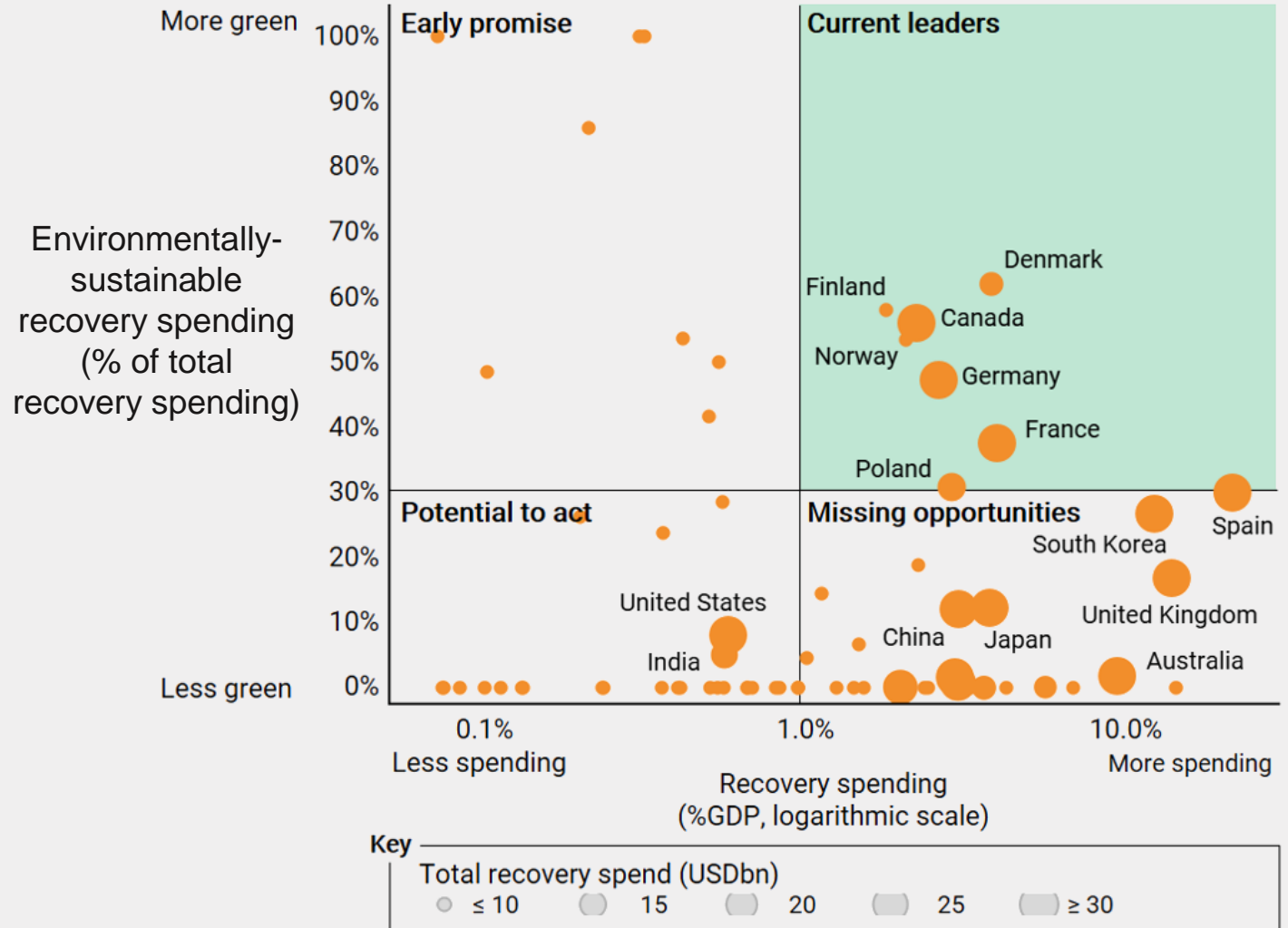


Only 2.8% of spending is advancing enviro sustainability





Several nations have introduced positive sustainable examples of spending



Three tenets to an environmentally-sustainable recovery (in two places)



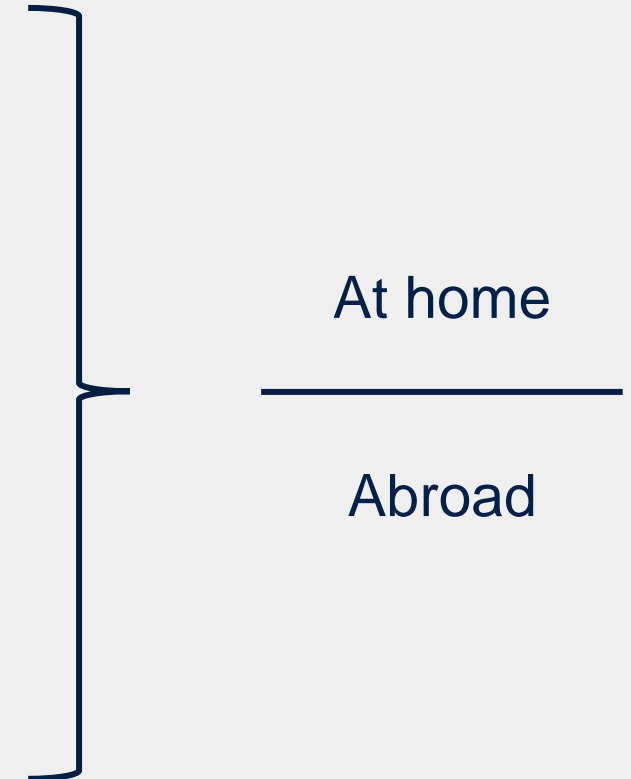
Maximise support of green-specific initiatives



Eliminate all dirty support



Bring green incentives into 'neutral' spending



How can trade policy support a green recovery?



Remove trade barriers against clean products

- > Global problems necessitate global collaboration – let's learn from COVID-19
- > Reduce implicit dirty subsidies & push clean innovation (Shapiro [2020](#))



Remove direct fossil subsidies

- > In some nations, subsidies have increased over COVID, exacerbating market distortions



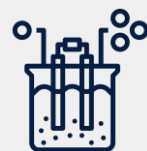
Deliver significant climate finance

- > We are short of \$100bn p.a. by 2020 target. And even this target is woefully inadequate
- > Public, private, and multilateral finance all necessary to shift risk and climate burden



Promote clean procurement criteria

- > Procurement from public investment should meet sustainability criteria



Prepare for new clean markets

- > Green H₂, construction, agriculture enablers, aviation, shipping, carbon markets etc

The *Oxford Uni Economic Recovery Project* helps nations, businesses, & multilaterals



Core functions:



Advising world leaders + decision makers

Driven by demand for services and impact lever



Tracking & assessing govt spending

Global Recovery Observatory with IMF, UNEP, UNDP, & GIZ



Economic modelling

Rapid models w/ Vivid Economics & detailed w/ Ox academics



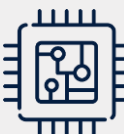
Actioning just transition priorities

Employment modelling



Tackling fiscal space and debt constraints

Growing development gaps + new mechanisms for intl support



Turning recovery into long-term growth

Long-term R&D and competitiveness w/ Oxford and partner universities – covering EMDEs and AEs



Meeting with Bruno Le Maire, Nick Stern, and Joe Stiglitz. Source: Twitter account of Bruno Le Maire, Minister of the Economy and Finance, French Republic.

<http://recovery.smithschool.ox.ac.uk/>