

# Briefing 1: The UK's Trade-Climate Agenda

## How can the UK take quick advantage of existing opportunities to boost climate-friendly trade flows?

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### Executive Summary

A post-Brexit trade policy gives the UK an opportunity to integrate climate and environmental policies into its free trade agreements (FTAs). As a net importer, trade can reduce consumption- and production-based emissions embedded in UK imports. And as an exporter of advanced technologies and services, trade can influence the low-carbon transition of the UK's trading partners.

This paper outlines key areas for progress, which already feature to some degree in contemporary FTAs, but which could be further advanced to meaningfully support global efforts as a Party to the Paris Agreement. It belongs to a series of briefings – developed by the Centre for International Sustainable Development Law (CISDL) at the University of Cambridge – exploring how the UK can capitalise on its net zero emissions goal by 2050 through a progressive trade-climate agenda.

### Introduction

International regimes on trade and climate change are inextricably linked. Support from the international trade system is critical for the global transition to a low-carbon economy<sup>1</sup> and in realising the Paris Agreement's goal of limiting average global temperature rise to well below two degrees Celsius.<sup>2</sup> Countries must drive trade policies that create a favourable environment for fulfilling their Nationally Determined Contributions (NDCs) and advancing the objectives of the Paris Agreement.<sup>3</sup>

The relationship between climate and trade is complex and multifaceted. Trade systems have significant potential to promote the exchange of environmentally-friendly goods and services, increase resource efficiency, and generate green growth and job creation.<sup>4</sup> But, despite potential synergies, much work remains to be done.<sup>5</sup>

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<sup>1</sup> Clara Brandi, 'Trade Elements in Countries' Climate Contributions under the Paris Agreement' (ICTSD Issue Paper March 2017), online: <[https://www.ictsd.org/sites/default/files/research/trade\\_elements\\_in\\_countries\\_climate\\_contributions.pdf](https://www.ictsd.org/sites/default/files/research/trade_elements_in_countries_climate_contributions.pdf)>.

<sup>2</sup> Kasturi Das and others, 'Towards a Trade Regime that Works for the Paris Agreement' (2019) 24(50) *Economic & Political Weekly* 25, online: <[https://www.epw.in/system/files/pdf/2019\\_54/50/PE\\_LIV\\_50\\_211219\\_Kasturi\\_Das.pdf](https://www.epw.in/system/files/pdf/2019_54/50/PE_LIV_50_211219_Kasturi_Das.pdf)>.. See also Jean-Frédéric Morin & Sikina Jinnah, 'The untapped potential of preferential trade agreements for climate governance' (2018) 27(3) *Environmental Politics* 541.

<sup>3</sup> Kamala Dawar, Ailia Haider and Adam Green, 'Climate Change and Trade Agreements: Friends or Foes?' (The Economist Intelligence Unit Technical Report, 2019), online: <<https://iccwbo.org/content/uploads/sites/3/2019/03/icc-report-trade-and-climate-change.pdf>>.

<sup>4</sup> Markus W Gehring, 'Legal Transition to the Green Economy' (2016) 12(2) *McGill International Journal of Sustainable Development Law and Policy* 136. See also Kasturi Das and others (n 1) Clara Brandi (n 2).

<sup>5</sup> Kamala Dawar, Ailia Haider and Adam Green (n 3).

Prospects for substantial legal change at the World Trade Organization (WTO) level are low given the political divergence and barriers to judicial appointments,<sup>6</sup> and pressure to reach trade agreements quickly distracts countries from exploring trade-climate interactions more deeply. While some Free Trade Agreements (FTAs) exhibit use of environmental language, specific environmental or climate-related provisions are too weak to achieve the ambition required to meet the Paris Agreement's target.<sup>7</sup> Most major trade deals make little reference to climate change,<sup>8</sup> and where it is mentioned, this tends to be in clauses focused on commitments to best endeavours, cooperation and consultation, rather than those that require specific actions.<sup>9</sup>

The UK faces a unique opportunity to become a global leader in Paris-aligned trade by facilitating implementation of its NDC and encouraging other nations to increase their climate ambition through the negotiation of new FTAs post-Brexit. These FTAs should include strong climate provisions with legal enforceability and promote mainstreaming of sustainable development and climate change by integrating such provisions in all chapters and in relation to all sectors. Including a designated climate and environment chapter may also enable the UK to ensure that climate-trade synergies feature substantially in its FTAs.<sup>10</sup>

## Safeguarding existing commitments and securing a level playing field

Recent FTAs reveal common environmental provisions that should feature in any trade agreement the UK enters into. Principal among these are cooperation and non-regression clauses, and commitments to improve environmental protection.

**Cooperation provisions** with respect to climate change and other environmental issues are an increasingly common feature of FTAs.<sup>11</sup> They take various forms, with some FTAs containing commitments to cooperate on strengthening the UNFCCC regime. The EU-Japan EPA, for example, requires each party to work together to realise UNFCCC aims, take steps to meet Paris objectives, and promote trade as a means of reducing greenhouse gas (GHG) emissions and achieving climate-resilient development.<sup>12</sup>

Renewable energy technologies are often mentioned in the context of cooperation provisions, for example, promoting research in and the development of these technologies, and encouraging their trade or investment.<sup>13</sup> The Comprehensive and Economic Trade Agreement (CETA) between the EU and Canada provides that parties commit to cooperate in areas such as (among others), 'trade-related aspects of the current and future international climate change regime, as well as domestic climate policies and programmes relating to mitigation and adaptation, including issues relating to carbon markets, ways to address adverse effects of trade on climate, as well as means to promote energy efficiency and the development and deployment of low-carbon and other climate-friendly technologies' and 'trade and investment in environmental goods and services, including environmental and green technologies and practices; renewable energy; energy efficiency; and water use, conservation and treatment'.<sup>14</sup>

In the EU-Singapore Economic Partnership Agreement (EPA) 2018, specific areas of cooperation include addressing the adverse effects of trade on climate and promoting low-carbon technologies and energy

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<sup>6</sup> Kasturi Das and others (n 1). See also Markus W Gehring, 'Legal Transition to the Green Economy' (2016) 12(2) McGill International Journal of Sustainable Development Law and Policy 136.

<sup>7</sup> Kamala Dawar, Ailia Haider and Adam Green (n 3). See also Jean-Frédéric Morin & Sikina Jinnah (n 1).

<sup>8</sup> Kamala Dawar, Ailia Haider and Adam Green (n 3).

<sup>9</sup> Ibid.

<sup>10</sup> Markus Gehring and Freedom-Kai Phillips, 'Legal Options for Post-Brexit Climate Change and Energy Provisions in a Future UK-EU Trade Agreement' (European Climate Foundation Paper, 2019). See also the 'Climate Action' chapter in the EU-Republic of Moldova Association Agreement 2014.

<sup>11</sup> Markus Gehring and Freedom-Kai Phillips (n 10); Katherine Lofts and others, 'Brief on Sustainable Development Goal 13 on taking action on climate change and its impacts: Contributions of international law, policy and governance' (2017) 13 McGill J. Sust. Dev. L. 183. See also Jean-Frédéric Morin & Sikina Jinnah (n 1).

<sup>12</sup> EU-Japan EPA 2008, Art 16.4. Another model example is found in Title IX, 'Trade and Sustainable Development', Art 275 of the EU-Colombia and Peru Trade Agreement 2012, titled 'Climate change'. See Markus Gehring and Emily Morison, 'International Trade Working Paper: Climate and Energy Provisions in Trade Agreements with relevance to the Commonwealth' (Commonwealth International Trade Working Paper, 2019).

<sup>13</sup> KAFTA Art 18.4; Central America-EU Association Agreement 2012 Arts 20, 65.

<sup>14</sup> CETA 2016 Art 24.12; Markus Gehring and Emily Morison (n 12).

efficiency.<sup>15</sup> The EU-Republic of Moldova Association Agreement 2014 exhibits extensive provisions, stating that parties ‘shall develop and strengthen their cooperation to combat climate change’,<sup>16</sup> including through promoting mitigation, adaptation, carbon trading, education, diffusion of safe and sustainable low-carbon and adaptation technologies and mainstreaming climate considerations into sector policies.<sup>17</sup>

One further example may be drawn from the recently-agreed United States-Mexico-Canada Agreement 2018 (USMCA), which features a provision for a Commission for Environmental Cooperation (CEC). The CEC is intended to foster cooperation among Parties with respect to addressing environmental issues across North America.<sup>18</sup>

Crystallising these commitments to cooperate on climate issues into more concrete legal obligations presents an opportunity for UK FTAs to better promote the low-carbon transition.

**Non-regression provisions** constitute a commitment on behalf of the parties not to regress on internationally recognised environmental standards and obligations in order to secure trade advantage or economic gain.<sup>19</sup> While these clauses vary in their formulations, examples may be found in the Korea-New Zealand FTA and the Trans-Pacific Partnership agreement (TPP), each of which provide that parties ‘shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from environmental law in a manner that weakens or reduces the protections’. Similarly, the USMCA provides that ‘Parties recognize that it is inappropriate to encourage trade or investment by weakening or reducing the protection afforded in their respective environmental laws’.<sup>20</sup>

Allowing parties to request consultation upon an alleged breach of such a clause,<sup>21</sup> or ensuring that the provision is subject to the FTA dispute settlement provisions, are two avenues through which the UK could strengthen the legal force of any non-regression provision in its FTAs.

**Commitments to improving environmental protection** vary in their formulation and in their legal strength, with some imposing obligations of result and others imposing weaker obligations of conduct. In CETA, ‘Parties recognise the right of each Party to set its environmental priorities, to establish its levels of environmental protection, and to adopt or modify its laws and policies accordingly and in a manner consistent with the multilateral environmental agreements to which it is party’, and ‘shall seek to ensure that those laws and policies provide for and encourage high levels of environmental protection, and shall strive to continue to improve such laws and policies and their underlying levels of protection’.<sup>22</sup>

Including explicit references to climate change mitigation and adaptation laws, policies and practices within provisions related to environmental protection may help to drive ambition toward achieving Paris Agreement objectives.

## Negotiating a climate-progressive trade regime

The following areas highlight key areas of opportunity for the UK to move beyond current FTA common practice towards negotiating that will facilitate synergies between international trade and climate action.

### *Performing Sustainability Impact Assessments*

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<sup>15</sup> EU-Singapore EPA 2018 Art 12.10.

<sup>16</sup> EU-Republic of Moldova Association Agreement 2014 Art 92.

<sup>17</sup> EU-Republic of Moldova Association Agreement 2014 Art 93.

<sup>18</sup> Noemie Laurens and others, ‘NAFTA 2.0: The Greenest Trade Agreement Ever?’ (2019) 18(4) World Trade Review 659.

<sup>19</sup> Markus Gehring and Freedom-Kai Phillips (n 10); Katherine Lofts and others (n 11).

<sup>20</sup> USMCA Art 24.4(3).

<sup>21</sup> See e.g. Canada-Mali Bilateral Investment Treaty 2014.

<sup>22</sup> CETA 2016 Art 24.3; See also Markus Gehring and Freedom-Kai Phillips (n 10).

Impact assessments during the negotiation phase of FTAs provide a mechanism for measuring the effects of and mitigating tensions between trade and sustainable development and climate change issues.<sup>23</sup> Sustainability Impact Assessments (SIAs), used by the EU, integrate environmental, economic and social considerations into assessing the impacts of an FTA, providing important input into negotiations.<sup>24</sup> If SIAs are performed with a particular focus on environment and climate issues, they have capacity to predict the industries that will benefit from trade and investment measures geared toward climate change mitigation and adaptation, as well as tensions which may arise in consequence of an increasingly liberal approach to trade.<sup>25</sup> Beyond the negotiation stage, SIAs may also be relevant to the interpretation of an FTA by providing insights into the projected impacts of agreements.<sup>26</sup>

By performing SIAs during the negotiation phase, the UK can ensure that the FTA thoroughly addresses climate issues and is interpreted in line with environmental considerations.

#### *Eliminating fossil fuel subsidies*

While fossil fuel subsidies have generally declined across the globe in recent years, the pace of progress has slowed. The Organisation for Economic Cooperation and Development (OECD) estimates that support for fossil fuels rose by 5% from 2016 to USD \$340 billion in 2017.<sup>27</sup>

Some contemporary FTAs address fossil fuel subsidies, albeit indirectly. In the EU-Singapore EPA article on ‘Trade and Investment Promoting Sustainable Development’, Parties ‘recognise the need to ensure that, when developing public support systems for fossil fuels, proper account is taken of the need to reduce greenhouse gas emissions and of the need to limit distortions of trade as much as possible’, and ‘share the goal of progressively reducing subsidies for fossil fuels’.<sup>28</sup> However, the agreement’s list of prohibited subsidies do not apply to coal industry subsidies. New Zealand, Norway, Iceland and Fiji will prioritise the elimination of fossil fuel subsidies during recently launched negotiations on the Agreement on Climate Change, Trade and Sustainability (ACCTS).<sup>29</sup>

Strong commitments to eliminating subsidies in its FTAs illustrate a key opportunity for the UK to lead in improving competitiveness of renewable technologies and freeing up funds for climate action.

#### *Removing barriers to trade in environmental goods, and subsidising clean energy technologies*

Alongside eliminating fossil fuel subsidies, FTAs can also remove tariff and non-tariff barriers to the trade of environmental goods and explicitly permit non-discriminatory subsidies for renewable energy technologies.<sup>30</sup>

Setting ceilings on potential tariffs, or eliminating them altogether, can provide long-term certainty for environmental goods producers and exporters in trading countries, reducing costs and increasing uptake of these goods.<sup>31</sup> The New Zealand-Chinese Taipei (Taiwan) 2013 FTA contains a commitment by Parties to eliminate all tariffs on environmental goods and to ‘endeavour to address any non-tariff barriers identified by either Party that impede trade in environmental goods or services’.<sup>32</sup>

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<sup>23</sup> Markus Gehring, Sean Stephenson and Marie-Claire Cordonier Segger, ‘Sustainability Impact Assessments as Inputs and as Interpretative Aids in International Investment Law’ (2017) 18(1) *The Journal of World Investment & Trade* 163.

<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

<sup>26</sup> *Ibid.*

<sup>27</sup> OECD, ‘OECD Inventory of Support Measures for Fossil Fuels: Database Brochure’ (2019), online: <[www.oecd.org/fossil-fuels/data/OECD-Fossil-Fuels-Support-database-brochure-2019.pdf](http://www.oecd.org/fossil-fuels/data/OECD-Fossil-Fuels-Support-database-brochure-2019.pdf)>.

<sup>28</sup> EU-Singapore EPA 2018 Art 12.11; Kamala Dawar, Ailia Haider and Adam Green (n 3).

<sup>29</sup> New Zealand Foreign Affairs & Trade, ‘Agreement on Climate Change, Trade and Sustainability (ACCTS) negotiations,’ online: <[www.mfat.govt.nz/en/trade/free-trade-agreements/climate/agreement-on-climate-change-trade-and-sustainability-accts-negotiations/](http://www.mfat.govt.nz/en/trade/free-trade-agreements/climate/agreement-on-climate-change-trade-and-sustainability-accts-negotiations/)>.

<sup>30</sup> Markus Gehring and Emily Morison (n 12); Kamala Dawar, Ailia Haider and Adam Green (n 3).

<sup>31</sup> Markus W Gehring, ‘Legal Transition to the Green Economy’ (2016) 12(2) *McGill International Journal of Sustainable Development Law and Policy* 136. See also Ronald P. Steenblik and Susanne Droegge (n 33).

<sup>32</sup> New Zealand-Chinese Taipei 2013, Chapter 17, Art 3 ‘environmental goods and services’. For the purposes of the Agreement, environmental goods are those which positively contribute to the green growth and sustainable development objectives of the Parties, and are set out in an Annex. See Markus Gehring and Emily Morison (n 12). The ACCTS will aim to also eliminate tariffs on environmental goods (n 31).

In the EU-Colombia and Peru 2012 FTA, Parties agree to consider actions including ‘facilitating the removal of trade and investment barriers to access to innovation, development, and deployment of goods, services and technologies that can contribute to mitigation or adaptation, taking into account the circumstances of developing countries’,<sup>33</sup> thus considering the need to remove investment barriers as well as trade issues.

Stronger wording, committing parties to eliminate tariffs and non-tariff barriers to trade and investment in environmental goods offers a useful opportunity for progress. Any such provision would need to be accompanied by a comprehensive definition of ‘environmental goods’.

With respect to renewable energy subsidies, the EU-Singapore EPA allows parties to grant subsidies for an array of purposes where ‘necessary to achieve an objective of public interest, and where the amounts of the subsidies involved are limited to the minimum needed to achieve that objective and their effect on the trade of the other Party is limited’. Therefore, ‘subsidies to facilitate the development of certain economic activities or the development of certain economic areas’, including ‘environmental purposes’ are permissible, provided that they do not ‘affect the conditions of trade of either Party or competition between the Parties’.<sup>34</sup>

The UK, by incorporating commitments to eliminating tariffs, alongside commitments to increase renewable energy subsidies, could craft an FTA that builds on current progress in this area.<sup>35</sup>

#### *Facilitating green procurement*

Green procurement provisions in FTAs offer another avenue for governments to promote renewable energy and green technologies by showing a preference for low-carbon goods and services.<sup>36</sup>

The Korea-Australia Free Trade Agreement 2014 (KAFTA), Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), CETA, and EU-Singapore EPA each feature chapters on liberalisation of public procurement and consider the environment in tender provisions.<sup>37</sup> In CETA’s chapter on government procurement, parties and their procuring entities are explicitly permitted to apply ‘technical specifications to promote the conservation of natural resources or protect the environment, subject to conditions’.<sup>38</sup>

A similar provision in future UK FTAs, with explicit mention of promoting Paris Agreement objectives, may be a useful forward step.

#### *Installing border carbon adjustments*

By imposing taxes on imports based on their carbon intensity, or by exempting exports from domestic carbon taxes (or both), border carbon adjustments help to level the playing field between countries in circumstances where one country’s climate policies are stronger than those in its trading partner country.<sup>39</sup> They also minimise carbon leakage.<sup>40</sup>

Addressing border carbon adjustments at the regional rather than multilateral level allows groups of countries to avoid protectionism issues by agreeing on specifics, including methods for calculating the

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<sup>33</sup> Art 275 of EU-Colombia and Peru 2012; Markus Gehring and Emily Morison (n 12).

<sup>34</sup> EU-Singapore EPA 2018 Annex 11-A Art 2(e); Kamala Dawar, Ailia Haider and Adam Green (n 3). See also CETA Arts 7.8, 28.3.

<sup>35</sup> See further Markus Gehring, ‘From Fisheries to Energy – Subsidies in the WTO’ (CIGI Legal Research Paper, 2018), online: <[www.cigionline.org/sites/default/files/documents/Paper%20no.188web.pdf](http://www.cigionline.org/sites/default/files/documents/Paper%20no.188web.pdf)>.

<sup>36</sup> Kamala Dawar, Ailia Haider and Adam Green (n 3).

<sup>37</sup> Ibid.

<sup>38</sup> CETA Art 19.9.

<sup>39</sup> Kasturi Das and others (n 1); See further Markus W. Gehring & Jarrod Hepburn, ‘Climate, Trade and Investment Law in the Global Green Economy’ in O. Ruppel et al (eds.), *Climate Change: International Law and Global Governance* (Nomos, 2013).

<sup>40</sup> Kasturi Das and others (n 1).

carbon content of goods, geographic and sectoral coverage, and how the revenue raised is to be used.<sup>41</sup> Revenue may be designated for facilitating climate finance in developing country trading partners.<sup>42</sup>

Border adjustment has so far received little mention in FTAs,<sup>43</sup> signalling an opportunity for progress in this area.

#### *Negotiating strong dispute settlement provisions*

Dispute settlement is fundamental to the constructive enforcement of FTAs.<sup>44</sup> FTAs commonly include facilitative dispute settlement provisions in their environment chapters, but they operate separately from general dispute settlement mechanisms and therefore have less legal force.<sup>45</sup> This is in line with the facilitative approach that the UNFCCC and the Paris Agreement take toward enforcement.<sup>46</sup>

EU-Korea provides for a Committee on Trade and Sustainable Development to oversee implementation of its chapter on Trade and Sustainable Development and to facilitate dispute resolution, and for government consultations and the creation of expert panels where disputes arise.<sup>47</sup> Notably, as opposed to most other agreements the CPTPP and TPP's environmental provisions are subject to the general and binding dispute settlement provisions in each agreement.<sup>48</sup>

One way in which the USMCA is stronger than its NAFTA predecessor is that its environmental provisions are subjected to the main dispute settlement mechanism.<sup>49</sup> Under the USMCA, the Commission for Environmental Cooperation Secretariat is responsible for preparing factual records where submissions warrant further investigation.<sup>50</sup> Following criticisms of long delays in this process under NAFTA, the USMCA introduces stricter time limits for the Secretariat to respond to submissions.<sup>51</sup> With respect to investor-state dispute settlement, USMCA interestingly partially removes provisions for ISDS, which may empower governments to more easily improve their environmental regulations without being threatened with ISDS.<sup>52</sup>

The USMCA's mechanism for any person in each Party to make submissions alleging that a USMCA party is failing to effectively enforce domestic environmental laws – a continuation from NAFTA – offers an additional opportunity for strengthening enforcement of environment and climate related provisions in any FTA negotiated by the UK.<sup>53</sup>

Strong dispute settlement provisions regarding trade and investment that provide for consultation and expert input – whether these provisions be general or specific to environment and climate-related clauses – will be an important matter for negotiating any future FTA.

Allowing private citizens and NGOs to participate in enforcement of such clauses may facilitate better and more transparent implementation of environmental provisions.

#### *Progressing Corporate Social Responsibility obligations*

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<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

<sup>43</sup> Kamala Dawar, Ailia Haider and Adam Green (n 3).

<sup>44</sup> Markus Gehring and Freedom-Kai Phillips (n 10).

<sup>45</sup> Ibid.

<sup>46</sup> Ibid.

<sup>47</sup> EU-Korea Free Trade Agreement 2011 Arts 13.12, 13.14; Markus Gehring and Emily Morison (n 12).

<sup>48</sup> Jeffrey J. Schott, 'TPP and the Environment' in Jeffrey J. Schott and Cathleen Cimino-Isaacs (eds), *Assessing the Trans-Pacific Partnership: Volume 2: Innovations in Trading Rules* (Peterson Institute for International Economics, March 2016); Kamala Dawar, Ailia Haider and Adam Green (n 3).

<sup>49</sup> Noemie Laurens and others (n 18).

<sup>50</sup> Ibid Art 24.28; Noemie Laurens and others (n 18).

<sup>51</sup> See, eg, USMCA Art 24.28(6); Noemie Laurens and others (n 18).

<sup>52</sup> ISDS between Canada and the United States will be completely removed, whilst Canada-Mexico and US-Mexico ISDS will be limited. Some exceptions apply, including with respect to the oil and gas sector. See Noemie Laurens and others (n 18).

<sup>53</sup> USMCA Art 24.27.

FTAs increasingly include references to Corporate Social Responsibility CSR,<sup>54</sup> with research exploring the potential for CSR to facilitate climate change mitigation and adaptation efforts.<sup>55</sup> CETA's preamble, for example, encourages 'enterprises operating within their territory or subject to their jurisdiction to respect internationally recognised guidelines and principles of corporate social responsibility, including the OECD Guidelines for Multinational Enterprises, and to pursue best practices of responsible business conduct',<sup>56</sup> and includes environmental aspects of CSR as an area for cooperation.<sup>57</sup> Morocco-Nigeria 2016 notably addresses investors directly, providing that 'where standards of corporate social responsibility increase, investors should strive to apply and achieve the higher level standards'.

Given the important role of the private sector in meeting the goals of the Paris Agreement,<sup>58</sup> incorporating CSR provisions may be an important forward-looking step for the UK.

#### *Mainstreaming adaptation and mitigation measures across sectors*

FTAs often address the adverse impacts of climate change in particular sectors, such as agriculture, forests and fisheries.<sup>59</sup> In its chapter on cooperation, for example, KAFTA recognises the importance of innovation, research and development to agriculture, fisheries and forestry, and allows for cooperation with respect to climate change adaptation and mitigation in these fields.<sup>60</sup> KAFTA also specifically provides for cooperation and information exchange concerning the impact of climate change on marine ecosystems and forestry resources.<sup>61</sup>

Such incorporation of climate adaptation and mitigation language throughout the UK's FTAs will contribute to mainstreaming climate change considerations across sectors. Clauses on agricultural adaptation may particularly facilitate climate action, given the important contribution of agriculture to the economy, and the high vulnerability of this sector to climate change.<sup>62</sup>

## Conclusions

Creating synergies between international trade and climate regimes is a dynamic process, beginning with steps that are feasible within the negotiations in the short term and, through doing so, opening up opportunities for more ambitious choices in the longer term.<sup>63</sup> In the coming years, the UK will face opportunities to negotiate new FTAs with strong climate provisions that support sustainable development and foster rather than frustrate climate mitigation, adaptation and financing efforts, while reducing the negative impacts of trade and investment on the climate.<sup>64</sup>

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<sup>54</sup> Francesca Romanin Jacur, 'Corporate Social Responsibility in Recent Bilateral and Regional Free Trade Agreements: An Early Assessment' (2018) 23(4) *European Foreign Affairs Review* 465; Rafael Peels and others, 'Corporate Social Responsibility (CSR) in International Trade and Investment Agreements: implications for states, businesses and workers' (ILO working paper, 2016); Marie-Claire Cordonier Segger and Andrew Newcombe, 'An Integrated Agenda for Sustainable Development in International Investment Law' in MC Cordonier Segger, MW Gehring & A Newcombe (eds.), *Sustainable Development in World Investment Law* (The Hague: Kluwer Law International, 2010); Markus Gehring and Emily Morison (n 12).

<sup>55</sup> Malory Zafra Sierra, 'An Analytical Commentary on the Relationship between Corporate Social Responsibility and Climate Change' (2019) 10 *King's Student Law Review* 67.

<sup>56</sup> Art 24(3); Markus Gehring and Emily Morison (n 12).

<sup>57</sup> CETA Art 24.12.

<sup>58</sup> International Finance Corporation, 'Creating Markets for Climate Business' (IFC Climate Investment Opportunities Report, 2017).

<sup>59</sup> Jean-Frédéric Morin & Sikina Jinnah (n 1).

<sup>60</sup> KAFTA Art 16.4; Jean-Frédéric Morin & Sikina Jinnah (n 1).

<sup>61</sup> KAFTA Arts 16.6, 16.7.

<sup>62</sup> Jean-Frédéric Morin & Sikina Jinnah (n 1).

<sup>63</sup> Kasturi Das and others (n 1).

<sup>64</sup> Markus Gehring and Freedom-Kai Phillips (n 10).