

The background of the slide is a dark blue field with a complex network of glowing green and white lines. A central globe is rendered in a similar glowing style, showing the continents. Scattered throughout the background are various numerical values, such as '50.995', '70.9567', and '16.3207', which appear to be data points or coordinates. The overall aesthetic is that of a digital or data-driven environment.

UC San Diego

SCHOOL OF GLOBAL POLICY AND STRATEGY
Center for Commerce and Diplomacy

The Role of Trade Policy in Addressing Climate Shocks

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UCSD-CCD Climate and Trade Task Force Report, 2021

- Border Carbon Adjustments (James Rauch, UC San Diego)
- Finance for Climate Adaptation (Harry Li, University of Hong Kong)
- Clean Technologies and Supply Chains, (Michael Davidson, UC San Diego)
- Agriculture and Trade (Jen Burney, UC San Diego)
- WTO and Fishery Subsidy Reform (Chris Costello, UC Santa Barbara)



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COUNTRY		TREND	2018 EMISSIONS	AS PERCENT OF GLOBAL	PER CAPITA
China	China is one of the top GHG emitters. It accounts for 27.79% of global emissions. In 2018, it emitted 13,739.79 million tonnes. It has had one of the biggest increases in GHG emissions – 250% since 1990.		13,739.79 million tonnes of GHG	27.8%	9.71 tonnes of GHG
United States of America	United States of America is one of the top GHG emitters. It accounts for 12.74% of global emissions. In 2018, it emitted 6,297.62 million tonnes. It is one of the countries with the highest per capita GHG emissions – 19.27 tonnes.		6,297.62 million tonnes of GHG	12.7%	19.27 tonnes of GHG
India	India is one of the top GHG emitters. It accounts for 7.32% of global emissions. In 2018, it emitted 3,619.80 million tonnes.		3,619.80 million tonnes of GHG	7.3%	2.67 tonnes of GHG
Russian Fed.	Russian Fed. is one of the top GHG emitters. It accounts for 4.68% of global emissions. In 2018, it emitted 2,313.74 million tonnes. It is one of the countries with the highest per capita GHG emissions – 16.07 tonnes.		2,313.74 million tonnes of GHG	4.7%	16.07 tonnes of GHG
Japan	Japan is one of the top GHG emitters. It accounts for 2.57% of global emissions. In 2018, it emitted 1,270.21 million tonnes.		1,270.21 million tonnes of GHG	2.6%	9.99 tonnes of GHG
Brazil	Brazil is one of the top GHG emitters. It accounts for 2.55% of global emissions. In 2018, it emitted 1,259.51 million tonnes.		1,259.51 million tonnes of GHG	2.5%	5.97 tonnes of GHG

Two Key Takeaways

Climate cooperation is *impossible* without trade coordination

Climate finance for developing countries is *everyone's* business because of trade linkages

Border Carbon Adjustment

Can a BCA help slow climate change?

Yes! If coordinated with a domestic tax.



Sector	Environmental Policy Objective	Trade Coordination
Energy & Manuf.	Coordinated methane mitigation	Coordinated methane border adjustment
Clean Tech	Take advantage of global supply chains in clean tech products	Reduce barriers to clean tech deployment
Finance	Mitigate supply chain risks from EMDE climate shocks	Mobilize public/private finance for EMDE adaptation

Methan Fee in the Inflation Reduction Act (IRA)

- Essentially is a “carbon tax” applied to methane emissions
- will begin at \$900 per metric ton of methane emitted in 2024
- will increase to \$1,200 in 2025, and \$1,500 in 2026
- authorizes \$850 million in grants to facilities subject to the fee

US-EU Global Methane Pledge Energy Pathway

- 11 countries
- two-fifths of global gas production
- three-fifths of global gas imports.
- catalyze methane emissions reductions in the oil and gas sector
- \$59 million in dedicated funding and in-kind assistance
- Does not include border adjustment—risk for leakage

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Clean Technologies and Supply Chains

**Clean tech installation is far more labor
intensive than
production**

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Indo-Pacific Economic Framework (IPEF)

- Launched May 2022
- 14 countries (incl. India)
- 40 percent of global GDP
- 28 percent of global goods and services trade.

Four Pillars:

1. Trade
2. Supply Chains
3. Clean Economy
4. Fair Economy

IPEF Clean Economy Pillar

- expand investment opportunities
- spur innovation
- advance cooperation on clean energy and climate-friendly technologies
- mobilize investment
- promote usage of low- and zero-emissions good and services

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Three Policy Gaps

Coordinated methane border adjustment for mitigation

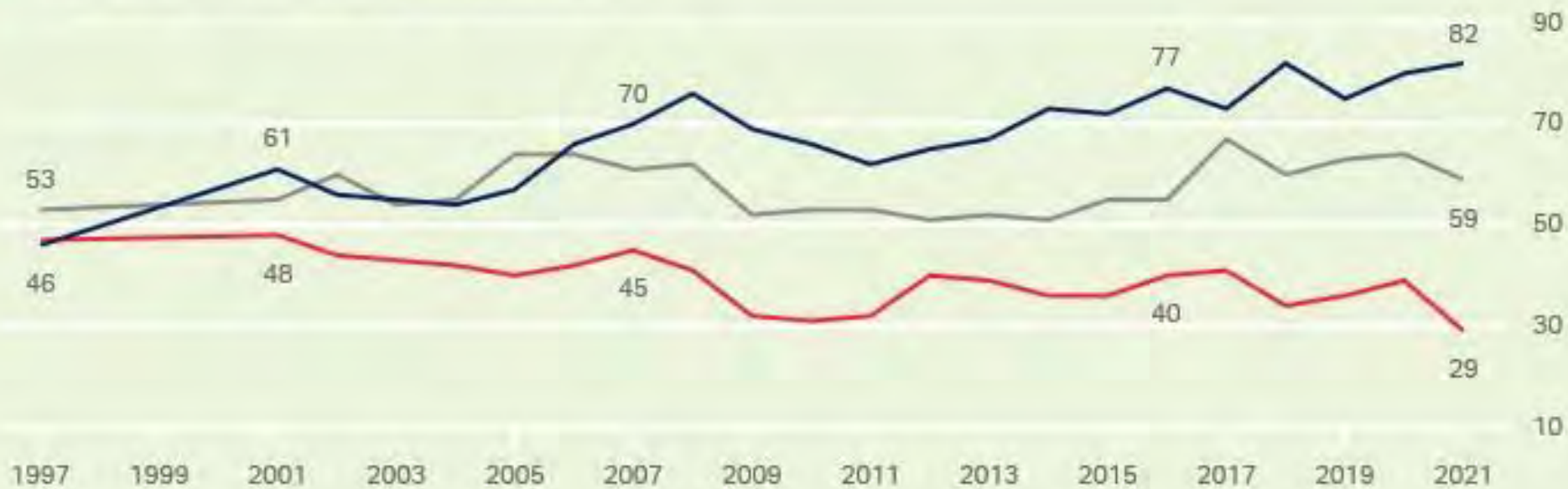
Mobilization of finance for EMDE adaptation

EV Credits in IRA harms key IPEF partner South Korea

View That Effects of Global Warming Have Already Begun

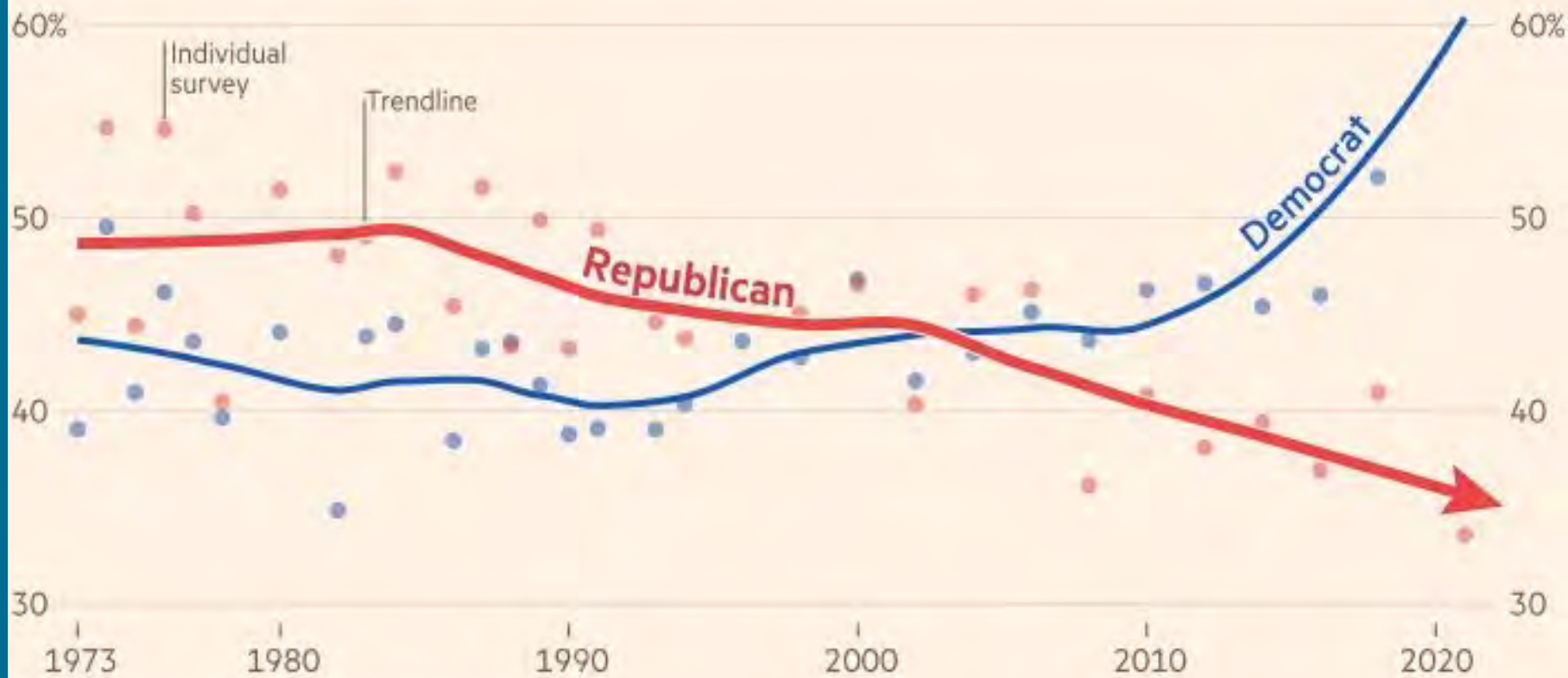
By party ID

— Republicans — Independents — Democrats



GALLUP

Share of US adults who have "a great deal of confidence" in the scientific community", by party ID



Source: FT analysis of US general social survey
FT graphic: John Burn-Murdoch / @jburnmurdoch
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