

 Early Warning System

ADB-58230-001

Operationalizing trade reforms and strengthening trade climate linkages
in ADB Operations



Quick Facts

Countries	Bangladesh, Cambodia, China, Indonesia, Kazakhstan, Laos, Mongolia, Nepal, Papua New Guinea, Sri Lanka
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	U
Borrower	Regional
Sectors	Climate and Environment, Law and Government, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	\$ 1.90 million
Project Cost (USD)	\$ 1.90 million



Project Description

According to the Bank's website, the TA will support ADB's DMCs in integrating climate change mitigation and adaptation into their trade-related strategy policies and investments. A TA approach enables targeted capacity building and knowledge support. The TA is expected to enhance DMC's capacity to adopt and implement trade policies for climate actions and promote sustainable trade practices.

Despite the significant carbon footprint of trade, there is limited knowledge and capacity among DMCs to effectively integrate climate considerations into trade-related policies and investments. Specific constraints include the lack of evidence-based research and guidelines on the trade-climate nexus, inadequate training and capacity building for key stakeholders, limited identification of pipeline opportunities and limited resources to support implementation of, for example, PBLs that incorporate climate and sustainability dimensions.

An ADB-assisted TA is needed to strengthen ADB's overall engagement on this critical issue by generating knowledge solutions, providing technical expertise for project formulation and implementation, and capacity development, and developing pipeline opportunities. The TA will draw upon existing trade policies that have demonstrated strong climate linkages, such as the European Union's Carbon Border Adjustment Mechanism (CBAM) and the World Trade Organization's Environmental Goods Agreement. These policies can serve as models for DMCs seeking to enhance their trade regimes to advance climate action, even those that are not participating in the WTO negotiations nor directly affected by CBAM. The TA will provide concrete guidance on where, when, and how DMC trade policies can be improved to support climate objectives. Also, the TA aligns with Operational Plan for Priority 7 Fostering Regional Cooperation and Integration, 2019-2024. Developing Member Countries (DMCs) are failing to meet their Paris reform targets, posing a significant threat to global climate efforts.



Investment Description

- Asian Development Bank (ADB)

Grant (Technical Assistance Special Fund): US\$ 1.50 million

Grant (Regional Cooperation and Integration Fund): US\$ 400,000.00



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

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