

 Early Warning System

ADB-58230-001

Operationalizing trade reforms and strengthening trade climate linkages  
in ADB Operations



## Quick Facts

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

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

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## ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.