

FINAL: 24 SEPT

Joint Leaders' Statement on the launch of the 'Agreement on Climate Change, Trade and Sustainability' initiative

We, the Prime Ministers of the Governments of Fiji, Iceland, New Zealand and Norway, and the Vice Minister of Foreign Trade for Costa Rica, have met in New York, USA on **25 September 2019** and discussed the urgent challenge that faces all nations in relation to addressing climate change, economic stability and our sustainable development objectives.

Achieving the Paris Agreement's goals of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, requires a global economic transformation. The economic transformation is expected to improve economies and lift incomes, as well as improve the environment. But there is a critical and urgent need for countries to act now to achieve these goals.

All policy levers are needed to drive the transformation to low-emissions, climate-resilient and sustainable economies. It is our collective view that these levers can and must include trade policy, rules and architecture.

There are a host of known actions in the trade policy area that could contribute meaningfully to combatting climate change and other serious environmental challenges.

As relatively small, outward facing, trade-dependent countries that rely on economic development that is both sustainable and inclusive, we believe that urgent progress is required and a transformative approach is needed. We are ready to act now.

Today we are announcing the launch of an initiative to negotiate a first-of-its-kind, forward-looking 'Agreement on Climate Change, Trade and Sustainability' ("**ACCTS**").

The ACCTS aims to bring together some of the inter-related elements of the climate change, trade and sustainable development agendas. The nature of the climate and environmental challenges our world is facing demands this coherency.

The ACCTS will address trade policy, rules and architecture in order to achieve the goals of the Paris agreement and facilitate increased trade contributing to sustainable development. The signatories to the ACCTS will seek to address these in a transparent and coherent manner. The ACCTS will include measures such as the removal of tariffs on environmental goods and the establishment of new and binding commitments for environmental services; establishment of disciplines to eliminate harmful fossil fuel subsidies; and development of guidelines to inform the development and implementation of voluntary eco-labelling programmes and mechanisms. This treaty-level instrument will be open to other countries to accede to in the future if they are able to meet its obligations.

The ACCTS initiative is an example of open and flexible negotiating approaches in action; transparent, compliant with WTO and other international agreements, reached amongst a subset of WTO Members, open to all who can meet the established standard, supportive of multilateral rules and institutions, and providing a pathway to multilateralism over time. The outcome should ensure mutual supportiveness between trade and environmental policies, and recognise the particular challenge faced by Small Island Developing Countries and their vulnerability to the impacts of climate change.

Ultimately, our aim is that ACCTS will demonstrate in a concrete and substantive manner how trade measures and trade policy can – and must – support climate and environmental objectives and provide momentum towards an eventual multilateral set of outcomes.