



***Economic and Social Council***



**AGENDA**

***Reassessing the role of tariffs, subsidies, and carbon border adjustments in promoting fair trade, protecting domestic industries, and ensuring an equitable green transition.***

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# COMMITTEE OVERVIEW

The Economic and Social Council, better known as ECOSOC, is one of the principal organs of the United Nations. It is responsible for guiding international cooperation on economic, social, and environmental matters. ECOSOC brings together governments, experts, and UN agencies to discuss how global development can become more inclusive and sustainable. Through its commissions, forums, and sessions, the Council works on issues ranging from economic growth and industrial development to environmental protection and global financing.

Although ECOSOC does not create binding laws, it has significant influence on international policy. Its recommendations often guide global development frameworks and shape the decisions of specialized agencies. The Council's ability to include a wide range of voices makes it a central platform for navigating the challenges of today's rapidly changing economic landscape.

## Mandate and Functions

Under the UN Charter, ECOSOC is responsible for promoting social and economic progress. It conducts research, coordinates policy discussions, and works with specialized UN bodies to support international cooperation. The Council also plays a key role in helping countries achieve the Sustainable Development Goals and encourages technical, financial, and institutional support for developing regions.

In recent years, as countries work toward both economic growth and environmental sustainability, ECOSOC has become increasingly important. It provides a space for countries to explore how trade rules, climate action, and development priorities can align in ways that support global equity.

## **Working Methods**

ECOSOC meets annually, with sessions in New York and Geneva. Its work includes plenary debates, thematic discussions, expert presentations, and negotiations over draft resolutions. The Council relies on specialized commissions and technical bodies that help provide current research and informed analysis.

Resolutions are usually adopted by consensus, which reflects the wide range of economic circumstances represented in the committee. This approach helps build cooperation between countries even when their interests differ.

## **Importance in the Global Context**

The world is undergoing a major economic shift as countries transition away from fossil fuel based production and toward greener industries. This change has reshaped global trade. Tariffs, subsidies, and carbon border adjustments are becoming increasingly common. These tools influence which industries remain competitive and how countries position themselves in the global market.

Developed countries often see such measures as essential for protecting their industries and maintaining strong climate targets. Developing and least developed countries worry about the impact these policies may have on their exports. Many fear that new climate related trade rules could deepen economic inequalities, especially if countries lack the funding or technology needed to adapt.

ECOSOC is an important forum for addressing these concerns. The Council allows countries to discuss the economic and social effects of climate related trade tools and to explore how the global green transition can remain fair and inclusive.

# INTRODUCTION TO AGENDA

***Reassessing the role of tariffs, subsidies, and carbon border adjustments in promoting fair trade, protecting domestic industries, and ensuring an equitable green transition.***

The global shift toward sustainable development has reshaped how nations think about trade, industry, and climate policy. As countries invest heavily in green technologies and commit to ambitious emission-reduction targets, new forms of trade regulation have emerged. Tariffs, targeted subsidies, and carbon border adjustment mechanisms (CBAMs) have become key tools used by governments to encourage cleaner production and protect domestic industries from carbon-intensive imports.

However, these measures have sparked international debate. While supporters argue that they prevent “carbon leakage” and incentivize cleaner production globally, critics claim that such tools risk deepening global inequalities. Developing countries—many of which depend on carbon-intensive industries for economic growth—worry that climate-linked trade restrictions could reduce their export competitiveness and impose burdens they are not financially equipped to manage.

This agenda invites delegates to examine whether the current trajectory of trade and climate policy is fair, balanced, and supportive of a truly global green transition. Delegates must consider how trade measures can be designed to protect workers and industries while ensuring that developing countries are not left behind in the race toward sustainability.

# HISTORICAL BACKGROUND

Discussions about trade and environmental protection have been ongoing since the creation of the General Agreement on Tariffs and Trade in 1947. At that time, the focus was on reducing trade barriers and helping developing countries integrate into the global market. Environmental considerations were not yet central to trade policy.

Over the decades, the world has become more aware of environmental degradation and the need for sustainable development. In the 1990s and early 2000s, trade agreements began to address environmental issues more explicitly. Later, as the global consensus around climate change strengthened, countries started experimenting with policies that link carbon emissions to trade rules.

The European Union's Carbon Border Adjustment Mechanism, phased in during the 2020s, represents the most significant shift so far. It established a system in which imported goods are evaluated for their carbon content and taxed accordingly. This marked a new era of climate–trade interaction and sparked debate about fairness, global responsibility, and the impact on developing economies.

By the mid-2020s, similar conversations were taking place in countries like the United States, Canada, Japan, and the United Kingdom. Many developing countries responded by calling for more equitable frameworks, arguing that they cannot be held to the same standards as nations that industrialized long before climate change was widely understood.

# KEY UN RESOLUTIONS AND FRAMEWORKS

Although the United Nations has not established a single agreement focused solely on carbon tariffs or subsidies, several global frameworks guide the discussion. The UN Framework Convention on Climate Change introduces the principle of common but differentiated responsibilities, which remains essential when assessing how climate policies affect different countries.

The Kyoto Protocol and the Paris Agreement further emphasize that countries have varying capacities and levels of development, and that climate commitments must reflect these realities. The 2030 Agenda for Sustainable Development also plays a central role by highlighting goals related to sustainable industrialization, reduced inequalities, economic growth, and climate action.

Reports from UNCTAD and ongoing debates at the World Trade Organization have drawn attention to the possibility that climate-linked trade measures could disadvantage low-income exporters unless properly designed.

# RELEVANT EXAMPLES

The European Union's Carbon Border Adjustment Mechanism is the most well-known example of a climate-influenced trade measure. It requires companies exporting certain goods into the EU to report their emissions and pay an additional cost if their products are carbon intensive. This helps the EU maintain strong climate standards, but it also raises concerns about fairness, especially among developing countries.

India has consistently argued that climate-related tariffs should not be used in ways that hinder development. Given its large industrial sector and growing economy, India stresses that developing nations need time, technology, and financial resources to transition to greener production.

China faces similar challenges due to its role as a major exporter. Its industrial base is large and diverse, and it relies on global markets. China argues that carbon border adjustments and green tariffs could undermine its export competitiveness unless they are applied fairly and transparently.

In Africa, countries such as South Africa and Nigeria face the dual challenge of decarbonizing their economies while protecting jobs and ensuring economic stability. Their industries risk losing access to global markets if carbon tariffs are applied without support for transition.

Bangladesh presents a different but equally important example. Its textile sector supports millions of workers, yet carbon reporting requirements and sustainability certifications can be difficult and costly. These hurdles raise concerns about how climate-driven trade policies may affect vulnerable populations.

# **SUGGESTED MODERATED CAUCUS TOPICS**

- 1. The fairness and global implications of carbon border adjustment mechanisms.**
- 2. Differentiated treatment and exemptions for developing and least developed countries in green trade policies.**
- 3. The impact of green industrial subsidies on global market competition.**
- 4. Financing strategies to support a just and equitable industrial transition.**
- 5. Standardizing carbon reporting and verification across international supply chains.**
- 6. Technology transfer as a means to reduce dependency on carbon tariffs.**
- 7. Preventing the misuse of climate policy as a form of protectionism.**

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