Foreword

Thomas Cottier

The challenges of climate change mitigation and reduction of CO₂ emissions and other greenhouse gases call for a detailed analysis of the role and potential of international trade regulation, within and outside of the World Trade Organization. While multilateral climate policies are supposed to be shaped within the UN Framework Convention on Climate Change and the current and future Kyoto Protocol, trade rules remain of key importance as they control the importation and exportation of products under varying production and process standards (PPMs). The first best solution clearly consists of multilaterally agreed policies and standards. Yet, the reality of competing economies and free-riding calls for the exploration of to what extent countries can unilaterally and lawfully impose standards on importation, or impose taxation, seeking to create a level playing field and avoiding carbon leakage. The scope and limits of such measures in terms of extraterritorial reach and effects are essentially defined by WTO law. The present book by Dr Kateryna Holzer explores the scope for such measures in great detail, and offers legal guidance to policymakers and adjudicators in assessing so called Border Adjustment Measures (BAMs), setting off the costs of carbon mitigating measures imposed on domestic industries. The research focuses on trade in goods.

The research was funded by the Swiss National Research Foundation, NCCR Climate, University of Bern, over a period of four years and conducted at the World Trade Institute within the Work Package on Trade and Climate Change of the NCCR Trade Regulation. It is an honour to write a few lines in recognition of the work of the author. She excelled as a student of MILE programme (Master of International Law and Economics) at the WTI. She eventually joined WTI staff. While working on her PhD thesis, she raised a family with two small children, and was an active staff member significantly contributing to the research effort of the Institute and to the work for the Intergovernmental Panel on Climate Change (IPPC) as a contributing author of the Fifth Assessment Report (AR5) of Working Group III, assessing the role and potential of regional

trade agreements in climate change mitigation. Her book is essentially based upon her PhD research. It makes an essential contribution to the field.