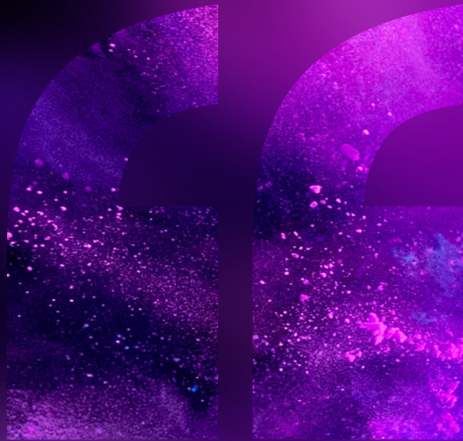
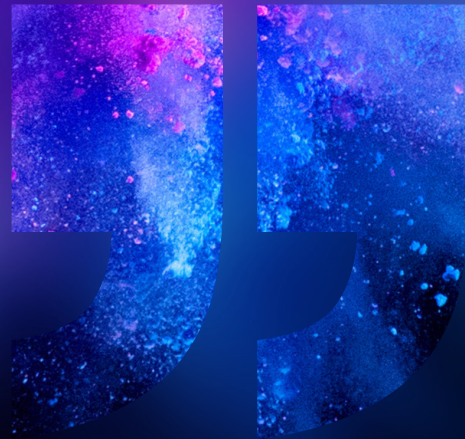


**C L I F F O R D**

**C H A N C E**



**THE ROLE OF  
TECH IN TRADE  
POLICY AND  
CLIMATE CHANGE**



**— THOUGHT LEADERSHIP**

**OCTOBER 2021**



## THE ROLE OF TECH IN TRADE POLICY AND CLIMATE CHANGE

A broad range of services – from digital and telecommunications services to engineering, cloud storage and artificial intelligence (AI) – will play an integral role in the transition to net zero. But for businesses to reach their emissions targets, the global trading system has to adapt, say business leaders in a report from Clifford Chance and the World Economic Forum (WEF).

Amongst our interviewees, a number of manufacturers say that rather than selling just a product as they would have done in the past, they now sell a whole package, with follow-on services that support decarbonisation. After-sales services are particularly important when products are sold overseas, with sensors and big data aggregation facilitating better monitoring, parts replacement and so on. "Some firms indicate that they plan to use AI to maximise efficiency on transport routes; make use of drone deliveries to reduce transport emissions; employ satellite imagery for monitoring and tracking of emissions or environmental impact; use blockchain tools for improved traceability; and adopt other similar forms of technology with a high digital content," says Washington D.C. based Partner Megan Gordon

Interviewees also highlight the increasing importance of digital services and grid aggregation technology in managing electricity networks – which will need to become more complex and sophisticated as electricity becomes an ever more critical element of the energy system. These services can play a vital role in both ensuring efficient grid management and supporting the integration of a greater proportion of renewable energy into the system.

Delivering such services often relies on cross-border data flows. Interviewees indicate that, although barriers to industrial data sharing are generally manageable, especially for larger businesses, the proliferation of data flow restrictions could curb these activities in the future. Equally, the use of new technologies in certain markets or for certain applications may increasingly be regulated, prompting one firm to emphasise the importance of trade commitments to a balanced and transparent regulatory environment. "Although we're trying to reach global consensus on critical climate change related gaps and efficiencies, and how best to address these with more data than we've ever had before, governments around the world are also putting up new barriers and walled gardens around the same data in other ways, which is incredibly counterproductive" notes London based Senior Associate and Digital Ethics Lead Arnav Joshi.

A number of businesses also highlight the importance of intellectual property (IP) protection in innovative green technologies, saying that IP protection and enforcement regimes can provide the incentives and certainty necessary to develop and scale up green innovations and the confidence to disseminate these technologies globally. These findings are backed by a World Intellectual Property Organization (WIPO) analysis on IP and green technologies, which identified

evidence that “inadequate IP protection compromises the diffusion of technology” and highlighted the broader linkages between trade policy, IP protection and dissemination of green technology.

Our report recommends that given the constantly evolving nature of services trade, further public/private dialogue in this area can help identify barriers to the dissemination of these services. Examples of digital technology applied across borders and reliance on data flows can also help build the evidence base for digital trade rules.

Megan Gordon adds: “AI and digital services will play a key role. Just as earlier technology has created a massive increase in greenhouse gases, so must today’s and tomorrow’s technology help to us reach global climate goals.”

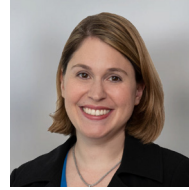
To find out more you can read our report *Delivering a climate trade agenda: Industry insights*, [here](#).



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