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CLIMATE CHANGE

Obama Plan Aims to Cap Carbon Emissions, Boost Renewables..... 1

AGRICULTURE

EU Farm Subsidies: Deal Reached to "Green" Direct Payments, Retain Coupled Support 4

CLIMATE CHANGE

Carbon Permit "Backloading" Fight Continues in European Parliament 7

AGRICULTURE

Farm Bill Stumbles in US House of Representatives..... 9

RENEWABLE ENERGY

China-EU Solar Talks Off to a "Positive" Start, Officials Say 11

IN BRIEF

Senate Confirms Mike Froman as New USTR 13

Employment, Health in Focus at SDG Working Group Meeting 13

Report Warns of Potential "Climate Bomb" Release..... 14

USTR Releases First "WTO Compliance Report" for Russia .. 15

EVENTS & RESOURCES

Events..... 16

Resources..... 19

CLIMATE CHANGE

Obama Plan Aims to Cap Carbon Emissions, Boost Renewables

The US will work to rein in carbon emissions from power plants and boost its capacity to produce renewable energy, President Barack Obama said in a [speech](#) in Washington on Tuesday. The much-anticipated announcement came following his promise in February to make tackling climate change a top priority during his second term.

The Obama Administration's newly-released climate action [plan](#) outlines a series of measures – some new, others that involve existing programmes – that touch upon an array of other issues as well, such as the possible liberalisation of environmental goods and services at the WTO.

The policies are primarily executive actions – in other words, those that the President can implement without requiring the approval of Congress. Passing climate change laws through the highly-polarised legislative branch has been notoriously difficult, with earlier attempts at pushing through legislation on market-based climate strategies ultimately failing. Given that context, the Obama plan notably does not include any mention of a carbon tax, or a cap-and-trade scheme.

In his State of the Union address earlier this year, the US President had pledged that he would take executive action if necessary to address the growing threat of climate change, if it appeared that Congress was not moving quickly enough on developing a bi-partisan, market-based solution. (See Bridges Weekly, [13 February 2013](#))

"I still want to see that happen," Obama said. "I'm willing to work with anyone to make that happen. But this is a challenge that does not pause for partisan gridlock. It demands our attention now."

Reducing emissions, increasing renewable energy

One of the most high-profile measures outlined in the Obama plan – and likely to be the most controversial domestically – is the planned imposition of federal carbon limits on new and existing power plants, which are the largest concentrated source of emissions in the US. While limits are already in place for arsenic, mercury, and lead, none have been imposed on carbon until now.

Such carbon pollution standards would be developed by the US Environmental Protection Agency (EPA). However, some political analysts have been quick to point



International Centre for Trade and Sustainable Development

out that the planned regulations could face legal challenges, which many expect considering the opposition of some Republicans to such a move.

Another pledge in Obama's plan is the goal to double renewable electricity generation by 2020, from wind, solar, and geothermal sources. Energy sourced from renewables has already doubled since the president first took office in 2009.

"Countries like China and Germany are going all in in the race for clean energy," he said. "I believe Americans build things better than anybody else. I want America to win that race, but we can't win it if we're not in it."

To achieve this goal, Obama has outlined measures aimed at accelerating the pace of issuing permits for renewable energy projects on public lands. Other steps would involve upgrading the US electric grid and increasing funding for clean energy technology across all government agencies by 30 percent.

The plan also includes a series of measures aimed at increasing energy efficiency, reducing other greenhouse gas emissions – such as hydrofluorocarbons (HFCs) and methane – and preparing for the impacts of climate change.

Trade

The plan also announces the US' intention to – together with its trading partners – kick off WTO talks focused on liberalising trade in environmental goods. Such discussions would aim to build upon the agreement announced by the 21 Asia-Pacific Economic Cooperation (APEC) countries last year to lower tariffs on over 50 environmental goods – including climate-friendly products, such as solar panels and wind turbines – to five percent or less by 2015. (See Bridges Weekly, [12 September 2012](#))

The current APEC agreement is non-binding, given the nature of the regional grouping; in addition, critics have noted that tariffs on many of these goods are already low. The APEC announcement, however, has prompted many pundits to suggest that the move could reinvigorate existing WTO talks in this area, which have repeatedly stalled since the launch of the overall Doha negotiations.

However, early discussions at the WTO on the APEC agreement have already shown a divide between members, as some opposed having the Asia-Pacific agreement influence current WTO discussions or be multilateralised at the global trade body. (See Bridges Weekly, [14 November 2012](#))

Current participants of the APEC agreement would aim to expand the deal's scope by adding products of interest, the Obama Administration said on Tuesday. They would also work to bring in new participants, with the goal of "securing participation of countries which account for 90 percent of global trade in environmental goods."

Given that the US is also one of a subset of WTO members currently preparing to negotiate a plurilateral agreement on trade in services, the Obama plan also pledges to include environmental services in these talks.

Keystone pipeline

In his speech on Tuesday, the US President stressed that the Keystone XL pipeline – which would carry 830,000 barrels of crude oil a day from Alberta, Canada and the US state of Montana to Texas, through Nebraska – will not be built unless it is clear that the project does not increase net carbon emissions.

The Keystone project has been controversial since the idea was originally tabled years ago, with environmental groups arguing that the oil extraction and refining process would

generate high carbon emissions and that a pipeline breach in environmentally sensitive areas could have catastrophic results.

While Obama had blocked the project last year, many political analysts predict he will approve TransCanada's new application, following a recent generally positive preliminary environmental assessment by the State Department, which has jurisdiction given that the pipeline crosses an international boundary. An announcement is expected in the coming months, following the State Department's final review. (See Bridges Weekly, [13 March 2013](#))

Canadian Natural Resources Minister Joe Oliver, a long-time proponent of the pipeline, told reporters in Toronto on Tuesday that – on a net basis – his country does not “see any increase in emissions as a result of the construction of the pipeline.” This is particularly the case, he said, because at least one-fifth of the oil will not actually be from the controversial oil sands and would therefore be less carbon intensive.

Response

Tuesday's speech was welcomed by many environmental groups and international policymakers, though several were quick to say that such efforts should only be a first step in a much larger climate change agenda.

“It appears that the President will finally begin to make good on his climate promises, but to truly meet his obligation to future generations, this must be the foundation – not the final act – of his climate legacy,” Greenpeace USA Executive Director Phil Radford [said](#).

EU Commissioner for Climate Action Connie Hedegaard similarly [called](#) the plan a “most welcomed step forward.”

Manufacturers, however, have been among those to criticise the plan, on the grounds that provisions such as power plant carbon limits and the phase-out of fossil fuel subsidies could damage efforts to create US jobs – another one of Obama's policy priorities.

“Ultimately, this plan will make the United States less energy secure, less affordable and unable to meet our future energy needs,” National Association of Manufacturers (NAM) President and CEO Jay Timmons [said](#), while agreeing that climate change is an international issue.

Obama, however, has stressed that US industry is adaptable, and that a low-carbon, clean energy economy can actually be a source of growth.

“The point is, if you look at our history, don't bet against American industry. Don't bet against American workers,” he said on Tuesday. “Don't tell folks that we have to choose between the health of our children or the health of our economy.”

ICTSD reporting; “Obama's greenhouse gas plans face court challenges,” THE FINANCIAL TIMES, 24 June 2013; “Canada says no net increase in emissions from Keystone,” REUTERS, 25 June 2013; “Obama unveils climate change plan that goes around Congress,” THE HILL, 25 June 2013.

AGRICULTURE

EU Farm Subsidies: Deal Reached to "Green" Direct Payments, Retain Coupled Support

EU officials have agreed to push ahead with reforms to "green" EU direct farm payments in the next seven years - although national governments will still be allowed to provide "coupled" support for particular products.

EU member states reached a compromise deal yesterday on the final shape of a package of measures with the European Commission and Parliament, following two months of talks on parliamentarians' revisions to the reform proposals first tabled by the Commission. (See Bridges Weekly, [13 March 2013](#) and [12 October 2011](#))

The reforms will maintain direct payments to EU farmers, while introducing new "greening" requirements intended to improve the environmental sustainability of European farming and make the subsidies more palatable to taxpayers at a time of fiscal austerity and cuts in public services throughout the union.

Irish agriculture minister Simon Conveney, who helped broker the deal during Ireland's six-month presidency of the Council of the European Union, described the new agreement as "a balanced package."

"I am confident that farmers throughout the European Union will benefit from these developments, and that European citizens can be assured that resources are being spent in an efficient, equitable and sustainable manner," he said.

Payments to large farms

A proposed cap on payments to large farms reportedly emerged as a sticking point in the final stage of the talks on the bloc's controversial Common Agricultural Policy (CAP).

Scottish Liberal MEP George Lyon reported that no agreement had been reached "on degressivity, capping, flexibility between pillars, and crisis reserve." In a comment on the social media network Twitter, he said these issues would now form part of broader negotiations on the bloc's multi-annual budget framework.

The Commission later also confirmed that all issues linked to the budget framework had been excluded from the new package.

While the Commission had originally proposed that payments be capped at €300,000, with phased reductions for payments of more than €150,000, European member states had sought to make any cap or reductions voluntary.

"Coupled" payments: reversing reforms?

Under the new deal, all member states will be allowed to "couple" eight percent of farm payments to production, from the total national "envelope" which they receive from Brussels. Successive farm policy reforms in the EU to date have substantially lowered the extent to which farm subsidies are tied to production, reducing their impact on trade.

The new rules will also allow an additional two percent of coupled support to be provided for protein crops, which are often used as animal feed.

However, EU governments that have historically provided higher levels of coupled payments will be allowed to continue doing so. Those that tied more than five percent to production in any year from 2010 to 2014 will be allowed to provide 13 percent of coupled payments under future rules, with an additional two percent for protein crops.

EU member states that tied more than ten percent of support to production during the same period will also be allowed to provide up to 13 percent, if the Commission agrees.

Who is an "active farmer"?

Airports, railway services, water works, real estate services, and permanent sports and recreational grounds will no longer be able to receive farm subsidies under the new rules.

The Commission had called for agreement on who should be defined as an "active farmer" - and hence eligible to receive subsidy payments under the reformed CAP.

The deal would establish a short mandatory negative list - based on the Commission's proposals - of entities that would not be able to claim farm subsidies under the new rules.

"Greening" direct payments

The new CAP will maintain elements to "green" farm payments, along the lines of the original proposals from the European Commission - and despite attempts by EU member states to relax these requirements by introducing a more flexible "menu" of environmental measures that individual governments could choose to require as a condition for providing farm subsidies. (See Bridges Weekly, [16 May 2012](#))

The deal also stipulates that farmers will not receive funding twice for performing the same environmental action - although plans approved by the European Parliament in March could have allowed this to happen when farmers received direct payments alongside separately-funded support for agri-environment programmes. (See Bridges Weekly, [13 March 2013](#))

Instead, farmers will have to respect three types of environmental criteria in order to receive a new "basic payment" under the reformed CAP. The new rules will require producers to maintain permanent grassland, protect "ecological focus areas" or EFAs, and diversify their crops.

The negotiated package would stipulate that farms over 15 hectares should safeguard ecological focus areas covering five percent of arable land on their holdings - including fallow land, terraces, landscape features, buffer strips, agro-forestry, and other measures.

The Commission had originally proposed a seven percent figure instead - although the new deal could require farmers to expand protection for ecological areas to that level in 2017, following a report from the Commission and subject to a legislative proposal.

Some holdings will still be exempt from the new requirement - such as those where more than 75 percent is grassland or forest.

Meanwhile, EU members will be required maintain the ratio of permanent grassland at national, regional, or farm level - rather than at farm level, as the Commission had originally proposed.

2017: Sugar quotas phased out

Production quotas for EU sugar would be phased out by 2017 under the new reform package.

The Commission had called for the current system to be abolished by the end of September 2015, whereas the parliament had sought an extension until five years later.

"I am pleased to see that EU sugar production quotas will be extended slightly, but it is not for long enough," said Gerd Sonnleitner, president of the EU farm group COPA.

Mixed reactions

"The political agreement we reached today is a victory both for EU farmers and consumers," said a statement from Agriculture Committee chair Paolo De Castro, who led the final negotiations on the package on behalf of the European Parliament.

The European Commissioner for Agriculture and Rural Development, Dacian Cioloş, also expressed his [satisfaction](#) with the package. "This agreement will lead to far-reaching changes: making direct payments fairer and greener, strengthening the position of farmers within the food production chain and making the CAP more efficient and more transparent."

Others were not so sure, however. A [statement](#) from Trees Robijns at the environmentalist group Birdlife Europe called the result "a major blow to those who championed a more sustainable, forward-thinking policy – one which would deliver for people and the environment as well as protecting the long term interests of farming."

A coalition of green groups, including the European Environmental Bureau and others, [cautioned](#) that "for the first time in CAP history, this reform risks going backwards from the progress made in previous reforms."

Meanwhile, EU farm groups [welcomed](#) the announcement, saying it had ended the uncertainty facing EU farmers and would enable them to move ahead with making investment plans.

Sonnleitner singled out more "flexible" greening measures under the reform package as "a step in the right direction." Farm groups had "been lobbying hard for this for four years," he added.

Next steps

Although the outline deal announced on Wednesday clarifies the political contours of the future CAP, the Commission will still need to prepare a detailed legislative text setting out the agreement that has been reached.

Crucially, EU member states will also need to reach agreement on the new budget framework for the next seven year period as part of the overall deal.

Once fully finalised, the new measures would then be implemented beginning in 2014.

ICTSD reporting.

CLIMATE CHANGE

Carbon Permit “Backloading” Fight Continues in European Parliament

A European Commission plan to delay the auctioning of millions of carbon permits received a new boost last week, after a European Parliament committee signed off on the proposal. The legislation must still be approved by the full Parliament later this summer, which had rejected an earlier version.

The move to delay permit auctions – a practice known as backloading – is aimed at boosting the prices of such permits, which underpin the EU's Emissions Trading System (ETS). An oversupply of permits, combined with the bloc's broader economic struggles, has led permit prices to hover at dangerously low levels, reaching less than €3 per tonne in April and generally about €5 per tonne.

The plan [approved](#) by the Parliament's environment committee last week includes various changes from the original proposal, which EU parliamentarians had rejected in April. (See Bridges Weekly, [18 April 2013](#))

One of the most notable modifications involves language assuring that backloading will only be a one-off event, if done at all. The European Commission would also need to conduct an impact assessment showing there to be no “significant risk” of companies in the sectors concerned relocating outside the EU.

In addition, carbon credits would need to be returned to the market “in a predictable and linear manner,” beginning from the year after the last permit has been withheld. The original legislation had called for reintroducing these permits in 2019-20.

As in the original plan, only 900 million carbon permits would be withheld – out of 1.7 billion currently in the market. Six hundred million of these would need to be made available for funding the development of low-carbon technologies.

“We now have broader support for a solution that will allow the ETS to fulfil its purpose and support innovation to tackle climate change,” said Matthias Groote, a German member of the S&D group who serves as the legislation's rapporteur in Parliament.

Plenary vote in July

The proposal will next face a vote by the full Parliament during its 3 July plenary session in Strasbourg. However, even if EU lawmakers sign off on the revised measure, it will still need the approval of individual EU governments, under the bloc's co-decision rules.

The proposal has been controversial in the EU, over concerns that delaying permit auctions could increase energy costs and lower confidence in the overall ETS. Others have also argued that the EU emissions scheme has broader structural problems that backloading alone cannot solve.

“As I have always said, backloading is a quick, temporary fix,” Groote said last week. “Structural reform of our Emissions Trading System will follow to ensure it remains the cornerstone of EU's climate policy and an inspiration to others around the world.”

Opposition to the plan is largely expected to come from Poland, a country heavily reliant on coal, and Germany, which has spoken out about the potential for rising energy costs. The United Kingdom, meanwhile, has been a strong backer of the plan, calling also for deeper reform of climate change policy.

Compromises render the proposal "toothless," critics say

Observers say that the upcoming plenary vote is likely to have important ramifications for the credibility of Europe's carbon market and the bloc's overall efforts to meet its climate change goals. The EU has said that it aims to have almost carbon-free electricity by 2050, and has pledged to reduce emissions by 20 percent from 1990 levels by 2020.

However, the "watered down" nature of the new backloading proposal has drawn criticism from some environmentalists, who say that the compromises made in order to win over previous opponents have rendered the plan "toothless."

The new version "is now only a shadow of what it should have been," [said](#) Greenpeace EU climate policy director Joris den Blanken.

Though some environmentalists find that the proposal does not go far enough to address the ETS' problems, private sector critics have argued that the proposed backloading could drive up the cost of doing business in the EU and push economic opportunities elsewhere.

BusinessEurope, a lobby group of industrial and employers' federations, has opposed the initiative, [calling](#) it an "unnecessary political intervention into the ETS market." The group added that European industry is on track for meeting its 2020 carbon reduction target.

ICTSD reporting; "EU politicians to try again to rescue carbon market," REUTERS, 19 June 2013; "EU Parliament Committee Approves Proposal to Fix Carbon Market," WALL STREET JOURNAL, 19 June 2013.

AGRICULTURE

Farm Bill Stumbles in US House of Representatives

The US House of Representatives voted down a proposal for a 2013 Farm Bill last week, leaving lawmakers uncertain about the next steps for the omnibus legislation that will govern the next five years of US agricultural spending. While the Senate had already approved its version in May, both chambers must sign off on the legislation – and reconcile any differences between the two – for it to become law.

Lawmakers were quick to pass around blame after the bill's surprise failure on the House floor last week. Last-minute amendments restricting eligibility for food stamps and provisions removing dairy programmes, some argued, prevented a compromise.

The vote also highlighted a fundamental difference in budget priorities between US lawmakers, with Republicans and Democrats in disagreement on the scale and nature of spending cuts – especially on food stamps.

Farm interests were also at odds over the nature of payments scheduled for Southern farmers versus those in the Midwest. Both House and Senate iterations of the Farm Bill employ crop insurance as a means of providing subsidies to farmers, since the politically unpalatable direct payments are slated for cuts. The target prices for particular Southern crops, such as those for rice and peanuts, have been particularly contentious.

Next steps unclear

The House Rules Committee is expected to review the bill next Tuesday, a step that would have to precede any new attempts at a vote. Beyond that, however, House leadership has said that "no decisions have been made on next steps."

Congress is next set to go on recess for the 4 July Independence Day holiday, and has few legislative days remaining before lawmakers' annual August break. Even in this short timeframe, lawmakers hoping for the legislation to make a quick return to the House floor fear that the chamber is already shifting its attention to bills authorising spending on the US Food and Drug Administration, among other bodies.

Key Senators oppose extension

The Senate has already passed two versions of its Farm Bill in as many years. However, disagreements in the House have repeatedly prevented the legislation from moving forward, with the bill failing to even reach that chamber's floor for a vote in 2012. Agricultural programmes are instead operating under a one-year extension to key provisions of the 2008 Farm Bill, which expires on 30 September.

With Congress increasingly shifting its focus to other matters, many worry that House lawmakers could again avoid clinching a final Farm Bill before the autumn deadline, and instead pass a second extension to buy some more time.

The Senate Agriculture Committee chair told reporters on Tuesday that she would do everything in her power "to stop" lawmakers from just passing another extension, in the hopes of spurring House members to approve an actual bill. In saying as much, Debbie

Stabenow, a Democrat from Michigan, was echoing a sentiment shared by others from her chamber, such as Chuck Grassley, a Republican from Iowa – a key farm state.

Some Farm Bill watchers, however, say that an extension might be unavoidable. Agricultural economists at Purdue University released a [statement](#) on Monday warning that an extension to existing legislation might be the only option in the short-term, in order to avoid the reversion of farm programmes to 1940s-era laws.

ICTSD reporting; "The Farm Bill meltdown continues," MSNBC, 25 June 2013; "Senate leader Reid says no to farm law extension," REUTERS, 24 June 2013.

RENEWABLE ENERGY

China-EU Solar Talks Off to a "Positive" Start, Officials Say

An informal meeting between the EU's and China's top trade officials last Friday has yielded early advances toward a possible solution to their solar panel row, after weeks of heightened tensions between the two sides. However, both officials warned, an actual settlement is still some way off.

The two sides have spent the past couple of months at loggerheads, after reports emerged that the European Commission was planning to impose a 47.6 percent average duty on imports of Chinese-made solar panels and their component wafers and cells. The duties would be aimed at addressing alleged dumping by Chinese producers, a practice through which goods are sold at prices below their normal value overseas.

Brussels ultimately decided to stagger the duties, imposing an 11.8 percent duty earlier this month. (See Bridges Weekly, [6 June 2013](#)) However, these will rise to the originally-planned 47.6 percent if the two parties cannot negotiate a solution by August.

In what some observers perceived as a tit-for-tat response, Beijing subsequently opened an investigation on imports of European wine.

Price undertaking?

Since the duties were first announced, there has been much speculation over what format an "amicable solution" could take. Brussels and Beijing are now said to be looking at the possibility of "price-undertaking" – in other words, a deal that would require Chinese producers not to sell these products below an established minimum price.

"We have more or less agreed on the structure," EU Trade Commissioner Karel De Gucht told reporters on Friday. Chinese Commerce Minister Gao Hucheng agreed, noting that the Friday talks with his European counterpart had been "positive."

Technical level talks are already well underway in Brussels, with the involvement of Chinese experts. (See Bridges Weekly, [20 June 2013](#))

Whether or not Washington will be involved in this process is still unclear, given that the US has already imposed its own anti-dumping and countervailing duties on Chinese solar cell imports. (See Bridges Weekly, [10 October 2012](#)) While recently-confirmed US Trade Representative Mike Froman has already indicated that the US has been present during some of the preliminary discussions, further details have not been made available.

De Gucht: No "overnight" solution

EU Trade Commissioner Karel De Gucht [stressed](#) on Friday that Brussels' "one wish" is on reaching an amicable solution. However, he warned, such a result will not be achieved overnight.

"Everyone should be very careful not to jump to any conclusions – one way or the other – simply because there is no hard news on this issue today," he said.

Both sides have come under pressure to remedy the row before it escalates further, including from some of the EU's own member states – particularly Germany. China is the EU's second-largest trading partner, while the 27-country bloc is China's largest.

A separate Commission investigation into allegedly unfair solar subsidies is also underway, with Brussels expected to announce provisional findings in August. Some analysts warn that the results of this investigation may change the direction of the currently "amicable" negotiations and further complicate the prospect of reaching a solution.

ICTSD reporting; "EU, China Talk Toward Ending Rift on Solar Panels," ASSOCIATED PRESS, 21 June 2013; "End in Sight to EU-China solar spat," THE FINANCIAL TIMES, 22 June 2013.

IN BRIEF

Senate Confirms Mike Froman as New USTR

The Senate has approved Mike Froman, a senior economic adviser to the White House, to succeed Ron Kirk as the newest US Trade Representative. Lawmakers backed Froman by a 93 to 4 margin last week, in what marked a relatively speedy confirmation process.

"As USTR, I intend to use every tool to increase exports of Made-in-America goods and services, level the playing field for our people to compete and win in the global economy and fully enforce our trade rights, while also working to foster development through trade" Froman [said](#) following his confirmation.

The new US trade chief is expected to quickly take on a heavy policy agenda, given the US' efforts to conclude talks for a Trans-Pacific Partnership (TPP) Agreement with eleven other countries by year's end. The US has also launched negotiations for a bilateral trade deal with the EU, with the first round of talks scheduled for July in Washington.

On the multilateral front, WTO members are currently working to clinch a package of deliverables from the Doha Round negotiations in time for this December's ministerial conference in Bali, Indonesia. Washington is also in discussions with a subset of WTO members for a possible plurilateral deal on services trade.

Notably, Froman has pledged to pursue the renewal of Trade Promotion Authority (TPA), or "fast track" – seen as key for successfully concluding the EU and Trans-Pacific trade deals. The provision expired in 2007, and allows the executive branch to negotiate trade deals and then submit them to Congress for up-or-down votes, without amendments.

ICTSD reporting.

Employment, Health in Focus at SDG Working Group Meeting

Efforts to develop a set of Sustainable Development Goals (SDGs) as part of a post-2015 development agenda continued last week, as the UN working group tasked with the process held its fourth meeting in New York.

The meetings, which ran from the 17-19 June, focused on employment and decent work for all, social protection, youth, education, and culture, as well as health and population dynamics. Co-chair Macharia Kamau of Kenya noted that big challenges still remain concerning the mechanisms for achieving targets and mobilising resources, while adding that the group has already made substantial progress in its work to date.

Though trade was largely absent from the discussions, the interconnected nature of the issue was reportedly highlighted by several participants, with Tunisia and Romania being

among those to suggest that increased trade and investment opportunities be developed in order to generate more jobs.

India also stressed that trade opportunities, among other factors, are important for ensuring inter-generational equity. Given the recent extension of the deadline for LDCs to implement the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), India suggested that flexibilities surrounding intellectual property rights could make a valuable contribution. (See Bridges Weekly, [13 June 2013](#))

The next meeting is scheduled for late November, and is slated to cover sustained and inclusive economic growth; macroeconomic policy questions in the areas of international trade, finance, and external debt sustainability; and infrastructure development and energy. A report on the progress achieved so far is expected to be released to the UN General Assembly in August.

ICTSD reporting; "OWG Reaches Half-way Point in Consideration of SDGs," IISD, 19 June 2013; "Summary of the Fourth Session of the UN General Assembly Open Working Group on Sustainable Development Goals," EARTH NEGOTIATIONS BULLETIN, 21 June 2013.

Report Warns of Potential "Climate Bomb" Release

Some of the world's largest refrigerant producers may soon be releasing a so-called "climate bomb" of hydrofluorocarbons (HFCs) into the atmosphere, according to a new report issued on Monday by the non-profit Environmental Investigation Agency (EIA).

The companies, based in China and India, have argued that a ban on trading climate credits for burning HFC-23 – a byproduct of manufacturing HFC-22, a refrigerant – no longer makes it financially sound to invest in destroying the gas; therefore, they will be releasing it into the atmosphere.

The Clean Development Mechanism allows developed countries to buy emissions reduction credits in developing countries, in order for the former to meet their own reduction commitments. Around 19 factories – 11 of which are based in China – have received climate credits under this mechanism for installing and operating incinerators to burn HFC-23, according to the report.

HFCs were initially considered a suitable alternative to chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs), two substances that were phased out under the Montreal Protocol – an international treaty designed to protect the ozone layer. However, the rapid growth of HFC use in air conditioning and refrigeration has since posed its own challenges, given the gas' vast global warming potential. HFCs have been found to be 3.83 times more potent than carbon dioxide.

This news comes just weeks after US President Barack Obama and Chinese President Xi Jinping met in the US state of California and agreed to work together to phase out the production and consumption of HFCs, including through the expertise and institutions of the Montreal Protocol. (See Bridges Weekly, [13 June 2013](#))

ICTSD reporting; "'Climate bomb' warning over China coolant release," FINANCIAL TIMES, 24 June 2013.

USTR Releases First “WTO Compliance Report” for Russia

The Office of the US Trade Representative (USTR) has submitted to Congress its first report highlighting areas of concern regarding Russia's compliance with its WTO commitments, nearly one year after Moscow joined the global trade body.

The 19 June report is required under the US law that repealed the Jackson-Vanik amendment, a Cold War-era law that had denied most-favoured nation (MFN) status to Russia for decades.

Among the issues raised in the report are claims that Russia applies overly stringent sanitary and phytosanitary measures; a recycling fee imposed on motor vehicle sales; questions regarding Moscow's civil code with regards to intellectual property rights; and concerns over Russia's delay in joining the WTO's plurilateral Information Technology Agreement (ITA).

"USTR will continue to monitor Russia's implementation of its WTO commitments to ensure that US stakeholders have the opportunity to benefit from Russia's membership in the WTO," said then-Acting USTR Miriam Sapiro.

According to US statistics, Russia's WTO accession has contributed significantly to the growth of the US economy, with the year-on-year percentage growth in US exports to Russia up 29 percent in 2012 over 2011, and up another 10.5 percent through the first quarter of 2013 compared with the first quarter of the previous year.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming soon

24-28 June, Bangkok, Thailand. WTO/ESCAP NINTH ARTNeT CAPACITY BUILDING WORKSHOP FOR TRADE RESEARCH: "TRADE FLOWS AND TRADE POLICY ANALYSIS". This workshop, hosted jointly by the WTO and the UN Economic and Social Commission for Asia and the Pacific (ESCAP) will focus on developing research skills and tools for trade analysis. The event will cover topics such as how to analyse trade flows hands-on using software packages, as well as how to quantify trade policy. In addition, participants will discuss their individual research projects and get feedback. To learn more, click [here](#).

2 July, Brussels, Belgium. HOW TO ALIGN INCENTIVES FOR GHG EMISSIONS REDUCTIONS ACROSS THE EU, MEMBER STATES AND LOCAL GOVERNMENTS? Organised by the Centre for European Policy Studies (CEPS), this workshop will illustrate the elements of a test cycle that could enable a better alignment of standards, labelling systems, and transport taxes across the EU. The discussions will also explore the essential characteristics of an EU-wide labelling system that would provide consistent signals to consumers and manufacturers across car markets. Practical ideas for a better alignment of the fiscal incentives will also be discussed. For further details, or to register, please click [here](#).

2-4 July, Nairobi, Kenya. INTER-REGIONAL TECHNICAL WORKSHOP ON INCLUSIVE GREEN ECONOMY TOOLS AND MEASURES. This workshop, organised by the UN Development Programme (UNDP), the UN Department for Economic and Social Affairs (DESA), and the UN Environment Programme (UNEP), will include a series of moderated panel discussions with speakers and resource experts from member states and UN and partner agencies. These will focus on how countries are adopting a range of tools and measures for inclusive green economy approaches that address trade-offs across sectors and groups in ways aimed at reducing inequalities and promoting social well-being. For more details, please contact Tim Scott at tim.scott@undp.org.

3 – 5 July, Brussels, Belgium. THE INTERNATIONAL SYMPOSIUM ON CULTURAL DIPLOMACY IN THE EU: "SUSTAINABLE ECONOMIC GROWTH, FURTHER INTEGRATION AND COMMON IDENTITY: MOVING TOWARDS A EUROPEAN CONSENSUS." This symposium will bring together governmental officials, academics, civil society practitioners, and private sector representatives from several countries to discuss the present and future challenges of the European Union. The role of cultural diplomacy in areas such as improving European relations, enhancing cross-cultural collaboration, building democratic governance, and sustaining peace and stability in the region will be highlighted. For more information, or to register, please visit their [website](#).

WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

28 June: Sub-Committee on Least-Developed Countries

3 July: Committee on Budget, Finance and Administration

3 - 4 July: Committee on Regional Trade Agreements

4 July: Working Group on Trade and Transfer of Technology

Other Upcoming Events

8-10 July, Geneva, Switzerland. **FOURTH GLOBAL REVIEW OF AID FOR TRADE.** This year's event, held at the WTO, will focus on the theme "Connecting to Value Chains." The biennial meeting will bring together ministers from developed and developing countries, heads of international agencies and regional organisations, representatives from private sector companies and associations, and an array of trade and development experts. The Review will examine the economic opportunities that trade in value added offers, the constraints that firms in developing, and in particular least developed, countries face in connecting and moving up value chains. Discussions will also address ways that Aid for Trade can assist in this process. The event builds on the results of an extensive monitoring and evaluation (M&E) exercise undertaken jointly by the OECD and WTO, in collaboration with various others. More information is available [here](#).

9 July, Geneva, Switzerland. **AID FOR TRADE – MAINSTREAMING CLIMATE CHANGE.** This event, co-organised by the International Centre for Trade and Sustainable Development (ICTSD), the Permanent Mission of Canada to the WTO, the Permanent Mission of Denmark to the WTO, the International Trade Centre, and the International Institute for Sustainable Development (IISD), will be held on the occasion of the WTO's Fourth Global Review of Aid for Trade. It will focus on the subject of how to ensure environmental sustainability in global value chains (GVCs), especially given the role of GVCs in engaging developing countries in global market. The event will present Aid for Trade case studies in order to demonstrate best practices in value chain sustainability. For more information, please visit the event [website](#).

9 July, Geneva, Switzerland. **FROM STANDARDS COMPLIANCE TO SHARED VALUE: MAKING VALUE CHAINS MEET DEVELOPMENT CHALLENGES.** This event, co-organised by the International Centre for Trade and Sustainable Development (ICTSD), the UN Industrial Development Organization (UNIDO), the Institute of Developing Economies (IDE-JETRO), and the Overseas Development Institute (ODI), is being held on the occasion of the WTO's Fourth Global Review of Aid for Trade. The side event will focus on the interconnectedness of different elements of quality infrastructure (standards, accreditation, and certification) and value chain development. Taking different value chain examples, participants will analyse major challenges that developing country producers need to overcome in order to integrate into global supply chains. The panellists will flag what kind of support is most needed by different actors in the public and the private sector to surmount these obstacles and link these efforts to the Aft Initiative. More information is available [here](#).

15 July, London, UK. **"THE FUTURE OF GLOBAL TRADE POLICY."** Organised by CUTS International, a non-governmental think- and action-tank conducting research and network-based advocacy on various dimensions of trade, regulation, and governance issues, this lecture will feature Martin Wolf, Chief Economics Commentator of Financial Times. Comments will be given by Justine Greening, MP, Secretary of State for International Development in the UK. Seats are available on a first-come, first-serve basis. For more details or to register, please visit the event [website](#).

7 August, Washington, US. **"HOW WILL THE TRANS-PACIFIC PARTNERSHIP (TPP) AFFECT AGRICULTURE TRADE?"** Organised by the International Agricultural Trade Research Consortium, the conference focuses on the TPP and its importance in eliminating barriers in agricultural trade. The event is geared toward researchers, industry experts, market

participants, and policy analysts. Sessions will address questions on how the TPP stands out compared to other trade deals, the status of the negotiations, and the pact's likely effects on specific agricultural sectors. For more details, please click [here](#).

10-11 September, Beijing, China. ASIA-PACIFIC TRADE FACILITATION FORUM 2013: "TOWARDS MORE EFFICIENT AND INCLUSIVE SUPPLY CHAINS: PUBLIC AND PRIVATE SECTOR PERSPECTIVES." Attracting two to three hundred participants from 30 countries each year, this annual forum serves as a regional platform for exchanging information, experiences, and practices for trade facilitation in Asia-Pacific, identifying priority areas for regional cooperation and integration, and learning about new tools and services which can increase the efficiency of cross-border transactions. The event is being co-organised by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) and the Asian Development Bank. Event organisers hope the gathering can help strengthen regional cooperation and coordination of Aid for Trade and related technical assistance and capacity building in trade facilitation. For more information, please visit their [website](#).

1-3 October 2013, Geneva, Switzerland. WTO PUBLIC FORUM: "EXPANDING TRADE THROUGH INNOVATION AND THE DIGITAL ECONOMY." This annual WTO event aims to provide a platform for public debate across a range of trade issues and topics. This year's forum specifically looks at the future of trade in an era of innovation and digitalisation. A call for proposals for sessions is now open, and online registration for attending the event is also available. More information can be found at the Public Forum [website](#).

Resources

GLOBAL FOOD SECURITY: CHALLENGES FOR THE FOOD AND AGRICULTURAL SYSTEM. Published by the Organisation for Economic Co-operation and Development (OECD) (June 2013). Drawing from existing OECD work, as well as that undertaken by other international organisations such as the G20, this report analyses how changes to the world's food and agriculture system have contributed to improvements in global food security. Policy recommendations are also given on how to improve the coherence of OECD countries' policies and to contribute to multilateral initiatives. To read the report in full, please click [here](#).

AID FOR TRADE AND DEVELOPMENT RESULTS: A MANAGEMENT FRAMEWORK. Published by the Organisation for Economic Co-operation and Development (OECD) (June 2013). This report presents a tool to help design logical frameworks for results-based management of aid for trade. Six case studies are examined in order to illustrate challenges involved in introducing a tool for managing results in an agenda that covers a broad area of interventions geared toward building trade-related supply side capacities. To download the full report, click [here](#).

INTERNATIONAL INVESTMENT POLICYMAKING IN TRANSITION: CHALLENGES AND OPPORTUNITIES OF TREATY RENEWAL. Published by the UN Conference on Trade and Development (UNCTAD) (June 2013). This report describes a series of systemic, capacity, and development challenges facing the international investment regime, particularly in the context of the rapid proliferation of bilateral investment treaties, free trade deals, economic partnership agreements. The impending expiration dates for various treaties, the authors say, provides an opportunity for addressing inconsistencies and overlaps in the current system. To read the full report, click [here](#).

TARGETING THE ENVIRONMENT: EXPLORING A NEW TREND IN THE EU'S TRADE DEFENCE INVESTIGATIONS. Published by the Swedish National Board of Trade (June 2013). This report explores the potential conflicts of interest that may arise between the EU's Trade Defence Instruments (TDI) policy and the bloc's climate policy. The authors outline the recent trade defence investigations into imports of some renewable energy products, and discuss whether these help or hinder the EU in meeting its climate change goals. To read the full analysis, please click [here](#).

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International Centre for Trade
and Sustainable Development
Chemin de Balexert 7-9
1219 Geneva, Switzerland
+41-22-917-8492
www.ictsd.org

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of publications is most welcome; if interested,
please contact Andrew Crosby, Managing
Director at +41-22-917-8335.

Contributors to this issue are Ammad Bahalim,
Sofía Alicia Baliño, Jonathan Hepburn, Alexis
McGivern, Jia Li Ng, and Chris Ruck. This edition
of Bridges Weekly Trade News Digest is edited by
Sofía Alicia Baliño.

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