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Analysis and news on trade and environment

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Negotiating the new global climate deal

CLIMATE CHANGE

What's ahead in the UN climate talks?

BIORES INTERVIEW

Michael Liebreich on energy markets and climate change

EMISSIONS TRADING SCHEMES

The evolution of carbon trade governance



International Centre for Trade
and Sustainable Development

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Negotiating the new global climate deal



Following a mandate agreed at the 2011 annual UN climate meet, negotiators from just under 200 nations have until the end of this year to hammer out a new global pact geared towards cutting climate-warming emissions, set to come into force at the end of this decade. Progress to this end was made at the most recent UN Framework Convention on Climate Change (UNFCCC) talks, held last December in Lima, Peru. After 33 hours of overtime negotiations, delegates reached agreement on a broad definition of the type of information to include when parties communicate their national contributions to tackling climate change, which will be the building blocks of the overall agreement.

The Lima outcome document also acknowledges delegates' efforts at the December meet on elaborating elements of a draft text – a move that served to formalise a 37-page document containing options within options for the deal's final language – and decided that a negotiating text should be made available before this May.

Against this backdrop, delegates charged with elaborating the 2015 deal will have their work cut out when they meet this month in Geneva, Switzerland. According to a scenario note put forward by the group's new Co-Chairs, Ahmed Djoghla and Daniel Reifsnyder, an objective of the February session will be to deliver this negotiating text. Delegates will focus on whittling down the various language options in the text's preamble, definitions, mitigation ambitions, adaptation and loss and damage, implementation, technology development and transfer, capacity-building, transparency of action and support, timeframes related to national contributions, compliance, and institutional provisions.

In this issue of BioRes, Sáni Ye Zou from the Paris-based Institute for Sustainable Development and International Relations (IDDRI) introduces the state of play on several of these elements that could form part of the new climate deal, and reflects on possible governance impacts for other policymakers, including those in the trade community.

But with the multilateral process moving slowly, and UN climate scientists warning of the long-term consequences of climate change, could smaller initiatives be a way to ramp up climate action? Might an eventual Environmental Goods Agreement make a contribution to tackling climate change by lowering tariffs on clean energy and energy efficient products?

In a BioRes interview with Michael Liebreich, Chairman of the Advisory Board and Founder of Bloomberg New Energy Finance (BNEF), comments on his energy market expectations, climate change governance, and clean energy trade. In a year slated as fundamental for sealing a new sustainable development agenda, with adequate financing and a new climate deal to match, Liebreich also weighs in on the current post-2015 development agenda and its sustainable development goals.

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CLIMATE CHANGE

From Lima to Paris: Towards a new global climate agreement

Sáni Ye Zou

Between now and the end of this year, parties to the UNFCCC will continue to work on elements to include in a new global climate deal due to be signed at a December meet in Paris, France.

The year 2015 will be an inflection point in international climate negotiations. Under the UN Framework Convention on Climate Change (UNFCCC), parties have agreed to seal a new global climate deal by the end of the twenty-first session of the Conference of the Parties (COP), due to be held in Paris, France in December. The agreement will aim to continue strengthening global action on climate change through mitigating greenhouse gas (GHG) emissions and adapting to the detrimental impacts of climate change consistent with no more than a two degree Celsius global average temperature rise since before the industrial revolution. The deal will be applied from 2020 and will replace the 1997 Kyoto Protocol – the current international climate regime – and subsequent agreements developed at UN climate meets held in Copenhagen, Denmark in 2009, and Cancún, Mexico in 2010. At stake in Paris is an agreement that will help to redefine the political and institutional arrangements governing international cooperation on climate change in the upcoming decades.

The latest round of UNFCCC talks held last December in Lima, Peru made progress, albeit with difficulty, and laid a sufficient basis for the coming year's talks. What was clear in Lima is that parties were cautious not to overcommit ahead of the negotiations in 2015, keeping their cards close to their chest, which is a sign of the high stakes in the forthcoming round as well as information asymmetry among parties. This article will briefly introduce the state of play on each of the elements that could potentially form a part of the new climate agreement. It will also suggest implications for a wider community of stakeholders beyond the UNFCCC, such as policymakers from ministries of finance and planning, private sector investors, as well as trade and sustainable development practitioners.

Legal form

At a UN climate meet held in Durban, South Africa in 2011, parties decided "to launch a process to develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties." This mandate offers two main legal design options. Choosing the protocol option would subject the agreement to be governed by Article 17 of the UNFCCC text and would be legally binding for all parties ratifying the protocol.

The Paris agreement, however, should also be dynamic enough to be able to take into account changes over time. At this stage it seems as though the final deal will probably take a more flexible approach to co-ordinating international climate action than the Kyoto Protocol. And while a decision that is non-legally binding might be less enforceable it can be immediately applied with consensus from the parties. Moreover, even if "COP decisions" are by default non-binding, they may sometimes have normative value depending on a given decision's precision and prescriptiveness and can be voluntarily enforced at the country level.

Indeed, at this point in time, the majority of parties have stated their preference for the adoption of a hybrid agreement, which would consist of a legally binding instrument taking the form of a protocol to the UNFCCC, complemented by a series of COP decisions. While the core protocol would be of permanent or long term validity, COP decisions such as those containing parties' Intended Nationally Determined Contributions (INDCs) could

be updated in regular rounds of collective action in the medium-term reflecting the “no backsliding” principle inscribed by the Lima outcome, whose procedural arrangements would also be embedded in the core agreement.

Mitigation

Since the Kyoto Protocol our understanding around the challenge of mitigating climate change has grown significantly. We now appreciate that climate change is not like some other environmental problems that affect, at most, certain small sectors of economic activity. Climate change is structural and its causes are to be found in all human activities. It is also global, long-term, and fraught with uncertainty.

Consequently the kind of agreement that we negotiate on climate change will need to reflect the nature of the challenge. It will also need to be more flexible, dynamic, and long-standing than the Kyoto Protocol, and to include all countries, especially major emerging countries whose emissions have grown significantly since 1997 per capita, and even more in aggregate measures as illustrated in Figure 1. It will need to create confidence among states as well as between the public and the private sector. The private sector also needs to see that the agreement will lead to more credible national policies, in order for firms to start to change their strategic orientations, which can in turn support domestic legislation. One of the ways to ensure this credibility is to enshrine the agreement in a stronger legal arrangement than was the case in the 2009 Copenhagen Accord. Ultimately, the agreement will need to incentivise much more ambitious mitigation actions than in the past, given that global GHG emissions have continued to rise at an accelerating rate over the past decade.

Figure 1: Average carbon dioxide emissions per capita, 1992-2010



Source: IDDRI (2014), Based on World Bank data

At the climate talks held in Warsaw, Poland in 2013 parties agreed that the new deal would be composed of national mitigation targets as a complement to a collective goal to reduce emissions sufficiently to limit global average temperature rise below the two degree Celsius ceiling, adopted by UNFCCC parties in 2010. A bottom-up process is now in motion in which parties submit INDCs to the overall deal ahead of the final talks in Paris. After some hard-fought negotiations, countries agreed in Lima on the type of information that may be included in the INDCs.

Although these arrangements are rather non-prescriptive, in one interesting sentence countries are invited to justify why their contribution is fair and ambitious, in light of national circumstances. Given the variety of endowments among the 196 parties to the Convention, the INDCs will be inherently dissimilar in terms of ambition, timing, key sectors, and other factors. But the tools are nevertheless now available for countries to come forward with mitigation contributions in the coming year according to agreed timeframes.

Next steps

February The Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) will be held from 8-13 February in Geneva, Switzerland.

March Parties ready to do so submit their intended nationally determined contributions to the new global climate deal to the UNFCCC secretariat.

May Negotiating text for the Paris deal to be agreed by the ADP. The negotiating text will be edited and translated into the five other official UN languages – Arabic, Chinese, French, Russian, and Spanish – and communicated by the UNFCCC secretariat to all Parties.

June The ADP will meet again in Bonn, Germany at the annual mid-year UNFCCC talks.

November UNFCCC secretariat to prepare a synthesis report on the aggregate effect of parties' national contributions.

December World governments set to agree on a new climate agreement at the Twenty-first Conference of the Parties in Paris, France.

One concern, however, ahead of Paris is that the sum of nations' mitigation ambitions in the INDCs may not be sufficient. Establishing a "ratchet mechanism" in the legal framework of the new agreement would provide the means to ensure that parties are able to scale up ambitions over time. In addition to medium-term mitigation targets, parties could simultaneously submit legally non-binding "deep decarbonisation pathways," which would indicate long-term national commitments to other parties and private sector investors. Sending stable long-term policy signals to non-state actors will play an important role in shifting investments from high-carbon to low-carbon growth trajectories.

Institutionalising shared responsibilities has already changed the dynamics of the negotiations between developing and developed countries. Indeed, the Lima outcome document now calls for countries to take action based on "common but differentiated responsibilities and respective capabilities, in light of different national circumstances," which represents an adaptation of previous iterations of the common but differentiated responsibilities (CBDR) principle. The idea is that in the new deal all countries should come forward with some mitigation action. Last November saw China and the US surprise the international community with a bilateral agreement to cooperate on reducing global GHG emissions. Although the pact was struck outside the UN process, and is thus not legally binding under the protocols of the UNFCCC, an agreement between the world's two largest emitters is instrumental in strengthening trust among parties. The move also demonstrates the complementarity between multilateral and bi- or plurilateral processes to tackling climate change.

Adaptation

Given that the consequences of and responses to the two degree warming challenge vary significantly across countries, and are often concentrated where resources are the scarcest, a coherent and comprehensive approach on adaptation under the UNFCCC is a precondition to an efficient and fair global response. The Cancun Adaptation Framework adopted in 2010 established an Adaptation Committee geared towards promoting "the implementation of enhanced action on adaptation in a coherent manner under the Convention." The current absence of an expressed global adaptation goal under the COP, however, points to a continued lack of co-ordination in this important area. A first step would be to agree on a global ambition to enhance adaptation action in line with a warming of two degrees Celsius.^① There are also a lack of sufficient resources, with financing for adaptation significantly lagging behind financing for mitigation, accounting for a ratio of 1:13 in global climate finance.^② A collective commitment on financing for adaptation under the new agreement could help to scale up finance and ensure adequate response to anticipated climate change.

The mitigation framework under the new agreement could offer valuable insights on how to structure collective adaptation action at a global scale. The context specific nature of adaptation responses justifies a bottom-up approach in setting targets. The Lima decision includes language inviting parties to consider communicating their strategies for adaptation or to consider including an adaptation component in their INDCs. Disclosing national level information would enhance knowledge and experience sharing among parties in line with the objectives of the Cancun Adaptation Framework. Knowledge sharing on adaptation is already being facilitated by platforms outside the UNFCCC – such as weADAPT, GANadapt, and the Climate and Development Knowledge Network (CDKN) – at the regional and global levels. Institutionalising knowledge sharing within the processes of the COP would help to identify synergies and form alliances among parties with similar interests and challenges, as well as to attract resources to those that are particularly vulnerable to the adverse effects of climate change.

Finance

The finance chapter of the new agreement should aim to ensure that the post-2020 financing framework encourages a dramatic scale up of climate investments and provides support the world's poorest. Developed countries made a commitment at the Cancun climate meet to mobilise US\$100 billion annually by 2020 to finance mitigation and

adaptation actions in developing countries. Parties have agreed that the Green Climate Fund (GCF) will be one of the main instruments to channel this finance. During Lima COP20, the capitalisation of the fund surpassed an initial target of US\$10 billion, and a Private Sector Facility under the Fund has been designated to attract climate co-financing from the private sector and other investors.

In the medium term, however, developing countries are lacking intermediate targets to scale up finance between now and 2020 while developed country governments under fiscal constraints have so far not been able to make further commitments. A mechanism that could help to align pre-2020 and post-2020 ambitions on finance would help to make finance more predictable across the two regimes.

Keeping global temperatures below the two degree warming ceiling will require an economy-wide shift in investments from business-as-usual to low-carbon, climate-resilient models. A technical committee of experts under the UNFCCC estimated the amount of global climate finance ranged between US\$340-650 billion annually between 2010-2012, of which a fraction of US\$35-50 billion were developed-to-developing country public flows. While public finance will continue to play a catalytic role in demonstrating the feasibility of low-emission energy, transport technologies or climate-smart technologies in agriculture, it is becoming increasingly clear that a large part of the US\$100 billion commitment will need to come from private sources. Guarantees and other innovative credit enhancement mechanisms have been piloted in developed and developing countries to mobilise private finance and more are expected under the GCF's Private Sector Facility.

The process leading up to the Paris agreement is increasingly acknowledging the role of key stakeholders outside the UNFCCC in financing the low-carbon transition. In particular, institutional investors, commercial banks, and national development banks have the potential to become important sources of climate finance, but lack expertise on the specificities of climate investments. The lack of a credible and conducive policy environment for climate investments has also been cited by investors as a major barrier. Discussions on climate finance are underway outside the UNFCCC, under initiatives such as the G20 Climate Finance Study Group, and the UN Climate Summit. These initiatives facilitate a move towards a shared understanding among policymakers and investors from UNFCCC member countries that private finance flows, both domestic and international, as well as policies governing those will be instrumental in keeping within the two degree ceiling. This represents an important shift away from earlier finance discussions that were focused solely on North-South public flows.

Developing countries have now also been acknowledged as voluntary providers of climate finance reflecting a step towards a more universal understanding of responsibilities. The last round of negotiations in Lima recognised "complementary support by other Parties" in addition to "urging developed country Parties to provide and mobilise enhanced financial support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change." Indeed, developing countries are shifting the global investment landscape by increasingly investing abroad, with low-carbon foreign direct investment (FDI) from emerging economies such as China being poured into African rail infrastructure.

Transparency

The transparency framework under the new agreement will have components on mitigation, adaptation, and finance. Progress has been made since Cancún on the transparency of mitigation. Developed countries have been requested to report biennially on mitigation policies vis-à-vis targets and a mechanism for peer review has also been set up. Looking ahead, as mitigation targets and policies are to be determined at the national level in the INDCs, establishing a transparent and credible framework for communicating between parties will be important to ensure that the information disclosed will help to build trust, reputation and reciprocity. Lima signalled how difficult this would be, as countries rejected a process for scrutinising their INDCs in the coming year before these

are inscribed in the 2015 agreement. Moving forward, countries will need to realise that a process that ensures that INDC documents are transparent and comparable would enable policy learning and align expectations, which is in the interests of all participants.

The Standing Committee on Finance (SCF) has been mandated to ensure finance transparency under the COP. Developed countries have already been mandated to report biennially on their strategies to scale up climate finance vis-à-vis the US\$100 billion collective target. Beyond 2020, reporting guidelines should be adjusted to include finance flows, as well as enabling policies that mobilise a broader set of investments in line with the two degrees mitigation and adaptation target. Developing countries should also be encouraged to report on finance, to reflect the increasing share of domestic and South-South climate finance as well as to help public international finance providers to identify gaps. Reporting on climate finance within and outside the UNFCCC has been synthesised by the SCF in the first Biennial Assessment on Finance and presented to the COP in Lima. Parties welcomed the Assessment and decided that further progress needs to be made to refine the methodology and to better account for private finance.

A systemic effort

It is becoming increasingly mainstream to accept that climate policies form a part of a wider set of economic policies. Reflecting this, a broader set of stakeholders are becoming engaged in the climate change agenda. In the lead up to Paris, parallel international negotiations will take place under UN auspices in Addis Ababa, Ethiopia in July and in September in New York, US to agree on a post-2015 developing agenda, including a set of sustainable development goals (SDGs) and their financing.

Climate and development finance are intrinsically linked, and climate change is one of the proposed SDGs, according to a list put forward by a specialised UN group last July. In order to maximise synergies and balance trade-offs between adaptation, mitigation, and other development objectives, enhanced co-ordination between these processes will be crucial to effectively implement the respective international aims in the years ahead. The fundamental objective of the Paris agreement will be to re-engineer a global, systemic change in line with the two degree Celsius warming ceiling. International policy co-ordination will be important to maximise mitigation and adaptation potentials. For example, mutual economic gains can be increased from the co-ordinated removal of trade tariffs and non-tariff barriers on low-carbon, climate-resilient technologies. In a worst case scenario, uncoordinated climate policies with implications on economic competitiveness could lead to suboptimal outcomes for parties potentially descending into trade wars, as illustrated by the spat over solar PV production and commerce between China and the EU. There is thus a need for a close alignment between the climate governance and the trade governance agenda.

The climate regime also has important interactions with financial governance. Policies need to be developed to incentivise long-term investments and to increase the visibility of climate regulations and climate risks to investors. Guidelines to include weather-related risks in insurance companies' analyses, as recently pursued by the Bank of England, could mainstream climate change adaptation into the thinking of private investors. This discussion is just getting started but already central banks and some financial policymakers are starting to make the links.

And so while Lima and the upcoming Paris negotiations represent crucial milestones for climate governance, the challenge doesn't stop there, and the right frameworks will be needed to facilitate more work ahead.



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- ① Magnan, A., Ribera, T., Treyer, S., Spencer, T. (2014), What adaptation chapter in the New Agreement?, Institute for Sustainable Development and International Relations Policy Briefs, n°9, 2014 July.
- ② CPI (2014), The Global Landscape of Climate Finance, Climate Policy Initiative, 2014 November.

BIORES INTERVIEW

Talking energy markets with Michael Liebreich



Michael Liebreich

Is Chairman of the Advisory Board and Founder of Bloomberg New Energy Finance (BNEF), the world's leading provider of information on clean energy to investors, energy companies, and governments. Liebreich serves on the UN Secretary General's High-Level Group on Sustainable Energy for All, is a Visiting Professor at Imperial College London, and a Board Member of Transport for London. You can follow him on Twitter @MLiebreich.

Falling oil prices have left economists scrambling to understand the possible ramifications for future energy investment flows both in fossil fuels and clean energy sources. Moreover, how might this affect climate policies, particularly as governments gear up to hammer out a global climate deal at a UN conference in Paris, France at the end of this year? And how to ensure sustainable development in the context of the need to transition to a low-carbon economy? In late January BioRes spoke with Michael Liebreich, Founder of Bloomberg New Energy Finance (BNEF), on energy market expectations, climate change, clean energy technology diffusion and trade, as well as carbon pricing.

The oil price has plummeted in recent months putting into question the viability of oil production in certain regions. How do you think investment in energy will be affected and will there be the same or different impact on old energy versus new energy?

[Michael Liebreich] We are just seeing numbers from Fatih Birol, chief economist at the International Energy Agency [IEA], suggesting that investment in oil and gas is likely to be down by about 10-15 percent on last year. I actually think it will be more dramatic than that. I think that may well be the right number if you also include national oil companies, but then if you look at the unconventional, I think they are going to be cutting maybe between 30-50 percent. It will be a very substantial drop.

If you look at clean energy, we may have a slightly down year, but it will be more to do with US currency than with slowing investment. We count our figures in dollars, which means the same Euro investment this year is going to turn into fewer dollars, so I think we may see a flat or slightly down year from the US\$310 billion renewables investment total Bloomberg New Energy Finance [BNEF] announced for 2014.

So overall what do you think might be the long-term energy market implications and potential climate-related impacts of the oil price drop?

[ML] I've never been a huge believer in these very high oil prices because I'm aware of all the alternative technologies. For example, as soon as the oil price goes over US\$90-100 a barrel, you get suppressed growth, and you get all sorts of alternatives becoming competitive, whether that's biofuels or electric vehicles. So for me nothing much has changed because I've always expected the oil prices to come down rather than go up.

Meanwhile, I've just come from the Middle East where a really important solar project was announced in the United Arab Emirates, with the Dubai Electricity and Water Authority unveiling a 200 megawatt solar plant with tariffs at US\$5.84 cents per kWh. Last year we were talking about the lowest cost solar in the world being eight cents, this year we are talking about six cents solar, that's a 25 percent drop. So yes oil has dropped by 50 percent, and most people expect it will go back up a bit, meanwhile the best clean energy is dropping by 25 percent and it's not going back up.

When you ask how we are doing on climate, that's a different question, which focuses more on how we are doing in terms of volume. If you look at Bob Socolow's climate stabilisation wedges, which suggest you've got to do nuclear energy, energy efficiency,

UN climate talks

Over 190 nations are in the process of hammering out a new global climate deal, set to come into play at the end of this decade, and geared towards cutting climate-warming greenhouse gas emissions.

carbon capture and storage (CCS), as well as focusing on land use and other things to tackle climate change, renewables is absolutely on track to deliver one big wedge.

If you go to the IEA 2050 energy scenario, which also consists of various wedges, I actually think the organisation is being overly conservative in its main forecast. The IEA seems to suggest that renewable energy growth will ultimately go linear instead of remaining geometric. We think it will continue to remain geometric and the market won't saturate for many years. Overall renewables are in good shape, energy efficiency is in ok shape, but where we are really floundering is carbon capture and storage [CCS] and nuclear power.

Why do you think this is the case?

[ML] CCS is a hard problem because there's no real benefit to it beyond reducing greenhouse gas emissions. A bit of enhanced oil reduction (EOR) but doing CCS with EOR is not going to do much for the climate. And the state of the political discussion in most of the world means it is simply impossible for politicians to commit the hundreds of billions that you would need to spend on CCS.

With solar you've got the electricity produced, which also has additional paybacks like resilience and air quality improvements, so it justifies a period of price support. Using CCS the benefit is that you mitigate emissions, which is it, and that's not compelling enough to open the public cheque-book.

Nuclear is where I think the world could really up its game. There are a few countries where there is a sort of hysteria around nuclear. Coal is killing far more people than nuclear has ever killed and it also has severe climate implications.

For countries like Germany and Switzerland that have functioning nuclear power stations and an excellent safety regime, switching those off prematurely is simply economic and climate self-harm on a colossal scale. Japan's need to buy gas, fuel oil, and coal is burning a hole in its balance of payments. Its economy will remain desperately weak until it manages to restart a fair number of their nuclear power stations.

The debate needs to be properly led by governments' to explain why nuclear could be a good solution for the climate rather than framed as benefiting companies, and the nuclear industry needs to get on the front foot and start innovating again to bring down costs.

Meanwhile, Christiana Figueres, Executive Secretary of the UN Framework Convention on Climate Change [UNFCCC] recently said that the oil price drop is a sign that the concept of stranded assets, or the "carbon bubble," is becoming a mainstream reality. What do you think about this?

[ML] There's an element of truth in that the drop in the oil price has much to do with vehicle standards and changes in behaviour. For example, in 2007 the US imported around 13 million barrels a day in 2007, dropping to about five million barrels a day last year. That's eight million barrels a day down but domestic production is only up by four million barrels a day. The missing barrels in this equation can be put down both to Americans driving less and cleaner cars on the market.

I don't think, however, that the oil price drop has much to do with the stranded asset concept. That's too much of a leap. The climate community talks about a carbon bubble, warning that when the world realises fossil fuel assets have to stay in the ground, markets are going to write down their value and there is going to be a meltdown in prices so dramatic that it threatens global financial stability. But we've just had a meltdown oil price right now, a 50 percent drop, and no one is talking about systemic instability. The stranded assets narrative has been enormously over-sold, in my view.

An interesting rebuttal. You talked about clean energy technologies earlier. What are the major drivers of innovation in this area at the moment?

[ML] I think in the long-term the single most important driver has been high energy costs. Other than North American gas, we've seen nearly a decade of high energy prices around the world for every sort of energy, and as a result you get innovation.

Then you've got a few other trends also in favour of innovation. The Chinese economy is much more sophisticated now than a decade ago, with much more money going into Chinese universities, and we've seen a whole load of process innovation from Chinese manufacturers.

What do you think is driving China's interest in this area?

[ML] China has gone through different phases. If you go back seven or eight years China's great clean energy awakening was really about creating jobs through exports. If the Germans were foolish enough to overpay for solar panels, then China would manufacture them. Then they morphed into doing clean energy because the cost was coming down and they understood they needed to use these technologies domestically because of a huge energy need.

Now it's more about cities and air pollution. The legitimacy of the communist party in China is related to delivering the goods. If people have to run around with masks on their faces the party has a potential problem with social instability. I think the Chinese clearly are concerned about climate change.

They are also moving to a stage of more geopolitical maturity. They are moving beyond defining success as "tying America's hands whilst remaining scot-free ourselves" – which is basically the UNFCCC's Kyoto Protocol – to understanding that as the largest emitter in the world such a position doesn't work strategically, it's just not a credible negotiating position. Yet I wish India would come to the same realisation.

US President Barack Obama visited Indian Prime Minister Narendra Modi in January and we've seen some outcomes on cooperation around clean energy. What do you think about those dynamics?

[ML] I think that's entirely the right discussion to be having. When I say India hasn't been helpful in the UNFCCC climate negotiations that doesn't mean I think they should commit to a carbon cap or anything dramatic like that.

What I mean is that we need to find Pareto optimal solutions between the developed and developing world on the climate front, in other words, how to make one party better off without making another party worse off.

Attempts in the UN climate talks to divide climate budget between nations are always going to fall apart. We saw it before and after the 2009 talks in Copenhagen that no leader in their right mind will accept up front the sorts of carbon budgets that are needed to successfully tackle climate change and therefore you have a very fractious and unhelpful discussion. India has 1.3 billion people and currently consumes, on a per capita basis, a fraction of what the US consumes. Framed in this way the carbon budget conversation doesn't work.

A better way forward is to acknowledge India has every right for their populations to advance economically but does it have to go down the same economic and energy technology path as the developed world? What if developed countries were to help nations such as India leapfrog to a completely new energy system that doesn't have these terrible impacts on air quality, climate, geopolitical instability, volatility, balance of payments and so on? Developed countries have plenty to offer in this framework: technology, capacity-building, finance, access to markets. From a negotiating point of view this sort of joint problem-solving is much more likely to lead to a good outcome.

What role might trade play in advancing the cause of clean energy?

[ML] I've always thought global trade should play an absolutely key role. I'm only sad that in the clean energy and climate communities there aren't enough people who have

Green goods trade

International trade in environmental goods reached roughly US\$955 billion in 2012, according to some estimates, and is growing rapidly. Clean energy products form a part of this global market. A group of 15 WTO members are in the process of negotiating a tariff-liberalising agreement on environmental goods trade in time for the WTO's tenth ministerial conference in December.

thought about it. Trade is technical, quite workish, and slow. Among many on the political left it is also seen as threatening and negative.

The key issue for clean energy is actually around cost. The costs come down when you use the lowest cost technology, the lowest cost finance, and the best skills - and that means free flow of goods, services money, and people. Anything that impedes these is bad for the energy transition and almost anything that accelerates that is good. That was why a few years ago I started to float the idea of a sustainable energy free trade area in order to lever the issue of clean energy trade out of the Doha Round. And I do continue to think this sort of thing is critically important.

The fourth round of the plurilateral Environmental Goods Agreement [EGA] talks is focusing on cleaner and renewable energy as well as energy efficiency. What do think about this trade negotiation?

[ML] The Environmental Goods Agreement could be an enormous boost for the clean energy industry. We've got to get a good and broad outcome this year. I'm not following the talks very closely but I do receive updates. I was worried that the negotiations would be difficult, and would end up reducing the list of potential goods slated for tariff liberalisation particularly around so-called dual-use products, for example components used in wind turbines that are also used in locomotives.

It sounds to me like the current discussion is a different one, more positive, around what you should include. What the sector needs is a really long list in order not to limit technologies which play a key role in renewable energy deployment.

And if the EGA ends up reducing tariffs on non-clean energy sectors as a by-product, then do you know what, good on it. At the end of the day that will just lead to faster economic growth, more people pulled out of poverty, and more robust recovery from the great recession. I would really urge the negotiators to go for a maximal rather than a minimal list.

Energy acts as lifeblood of the global economy. Accounting for the continued uncertainty around the oil price in the months ahead, what would be your key expectations for energy markets in 2015, a year slated by many as fundamental for sealing a new sustainable development agenda?

[ML] I think the oil price is going to remain low for all sorts of reasons. I look at two schools of thought; one says that it was a flash crash, the Saudis are inflicting some pain, and the price will soon go back up. Another school says that the US\$50 per barrel is the new normal. I think it will be more like between US\$50-80 per barrel. Frankly I'm amazed, however, that anyone listens to any oil analyst at all given how abjectly they've performed last year. Gas will probably have downward pressure because Europe's growth remains slow, in Asia there's a lot more supply coming on, and the US still has a gas glut.

In clean energy, I think we are going to see continued progress on costs and a lot more on energy efficiency too. Meanwhile energy access is exploding and cheap solar is helping. There are some commentators who mock solar lanterns from their comfy offices in California, but if you are the one burning kerosene for light and having to walk four miles to get your phone charged, solar lights are life-changing and they are flying off the shelves now in India and Africa.

What I would like to see during this year is much more coherent progress on the so-called "energy escalator." You have a solar lantern or a couple of lights, but how do you power your fridge, your sewing machine, etc., you've got to move up the energy escalator to get people more economically active and really boost development.

From a big picture perspective, I always react against the idea that the world needs a global carbon price, because one single carbon price is unrealistic. What you need instead are multiple carbon prices for different sectors and technologies. If you really want to get the world off fossil fuels you need what I call a "high-low" price for fossil fuels; a high price

for consumers, so they switch to alternatives, but a low price for producers so they invest less. The only way to get this sort of "high-low" price, you need to use fiscal policy, in the form of a carbon tax, or a tariff, to sit between the producer and the consumer.

I would also like to see more work coming out of the trade community on carbon border adjustments (CBAs). Not because I would like to see them actually imposed any time soon, but because we need a coherent and legally robust approach that's been properly debated, in case we need it. Otherwise, if UN climate negotiators get a deal in Paris this year, but then some big countries go for dirty export-led growth – as China did after Kyoto – we will have achieved nothing. We need some sort of weapon to respond and it has to involve CBAs. Likewise it could be a way to respond big oil-producing nations that try to torpedo the agreement.

The Environmental Goods Agreement could be an enormous boost for the clean energy industry.

At the same time as all this, what we need to see happening is for more effective efforts to help developing nations grow in a sustainable way. This is why the conversations around the sustainable development goals (SDGs) are so important.

Unfortunately the SDG process seems to have gone way off the rails. There were just eight Millennium Development Goals, they were very focused and proved very successful. The current proposal is for 17 sustainable development goals and 169 targets. They are terribly poorly drafted, with tremendous overlaps and ill-defined terms, and they also embody a deeply anti-enterprise philosophy. For instance, I think they speak of trade as something the world needs to be protected from rather than as an engine of wealth creation and development, with the occasional ill-effect that needs managing.

There are only a few months before the SDGs are set in stone for the next 15 years and I really hope that our political leaders have the courage to tear up this absurd draft and demand something workable.

EMISSIONS TRADING SCHMES

What role for carbon markets in the 2015 climate agreement?

Anthony Mansell

Will the current UN climate talks do enough to create common standards for international emissions trading in the future or should interested parties look outside the multilateral process?

Around the world, governments are increasingly pursuing market-based approaches to reduce their greenhouse gas (GHG) emissions. South Korea's emissions trading scheme entered force at the start of this year and is currently the world's second largest carbon market. Many other carbon pricing policies are either in force or in the planning stages, including in emerging markets such as Brazil, China, and Mexico as illustrated in Figure 1.

Parties to the UN Framework Convention on Climate Change (UNFCCC) are due to meet in Paris, France later this year to finalise a new global climate agreement to replace the current Kyoto Protocol and the Copenhagen Accords when these expire at the end of this decade. One important consideration is the degree to which the new agreement can help facilitate the growth and integration of carbon markets. This article examines the existing international emissions trading regime under the Kyoto Protocol; the status of market-related issues in the ongoing UN climate talks; and potential options to encourage market approaches and policy co-ordination outside the UNFCCC.

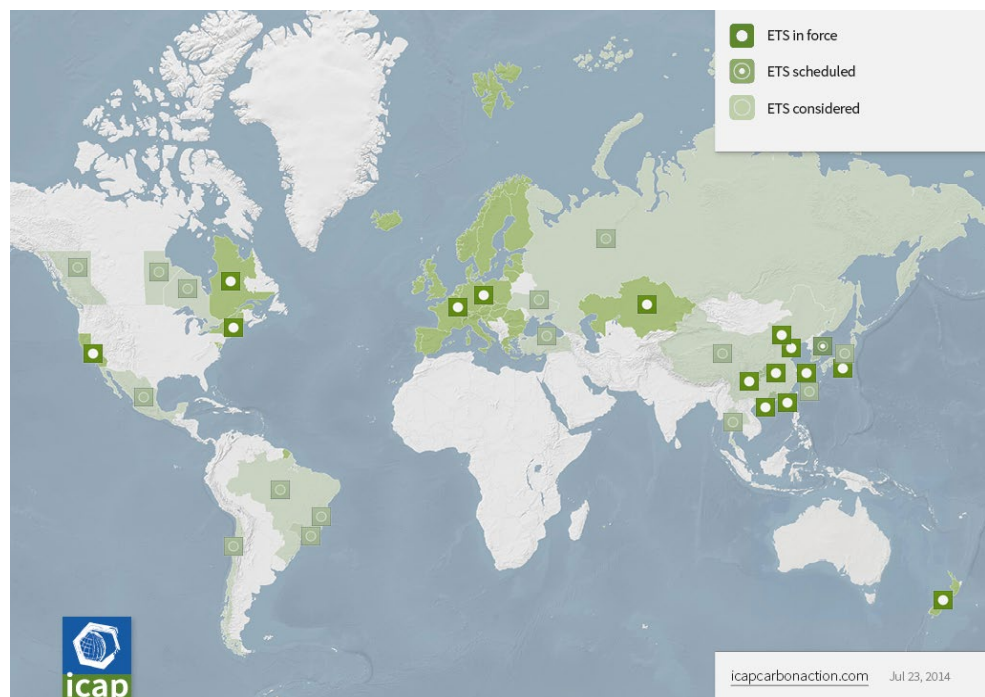
The origin of market mechanisms: The Kyoto Protocol

The development of a market for carbon emissions was a significant component of the UNFCCC's Kyoto Protocol, which is currently in its second commitment period, running from 2012 to 2020. Parties with emissions reduction targets – listed in Annex B of the Protocol – are allocated “assigned amount units” (AAUs) that represent the total emissions permitted to meet these targets. Domestic reduction policies help to bring actual emissions in line with the allocated AAUs. Parties then submit national greenhouse gas inventories annually to the UNFCCC that account for all emissions that occurred within that year.

To give countries greater flexibility to meet emissions targets, which in turn should help to reduce the overall costs of cutting emissions, three methods for transferring units – either emissions or emission reductions – between countries are sanctioned in the Kyoto Protocol. Article 17 provides for International Emissions Trading (IET), meaning that countries that have reduced emissions below their targets and therefore have excess units, can sell their excess allowances to countries whose emissions exceed their targets. Another transfer option is Joint Implementation (JI), which allows Annex B countries to earn emission reduction units (ERUs) through emission reduction or removal projects in other Annex B countries. The Clean Development Mechanism (CDM) allows Annex B countries to earn certified emission reduction (CERs) credits through emissions-reduction projects in developing countries. Finally countries can also earn removal units (RMUs) based on land use, land-use change, and forestry (LULUCF) activities.

Emissions' trading under the Kyoto Protocol relies on international oversight. All transfers are tracked using a registry called the International Transaction Log (ITL). A common accounting standard applies to all countries with emission targets. An executive board must approve the methodology that CDM projects propose to use. Finally, under the Protocol only the international transfers it sanctions are considered legitimate to fulfil a country's emissions-cutting obligations.

Figure 1: Emissions Trading Schemes World Map, July 2014



Source: Copyright 2012, International Carbon Action Partnership (ICAP)

The Kyoto model provides important infrastructure for an international carbon market. Common accounting procedures ensure that any transfer meets the internationally agreed level of environmental integrity. An AAU allocated to Switzerland represents a tonne of emissions measured using the same standard as an AAU allocated to Norway. Common offset methodologies give a blueprint to replicate projects across the globe. The CDM has been able to issue 1.4 billion credits – each representing a tonne of avoided emissions – and mobilise over US\$400 billion in investment using this common rulebook for managing offset projects. Moreover when countries submit their national greenhouse gas inventories, any recorded transfers can be verified by checking the international registry, reducing the potential for a double counting of emissions.

The Kyoto Protocol's rigidity, however, has undermined broad participation. This goes beyond international trading. For example, there is little flexibility in the types of commitments that countries must meet, namely quantified economy-wide emission reduction targets. Furthermore, as the CDM illustrates, Kyoto uses a binary differentiation between developing countries – that host projects – and developed countries – that finance them. More fundamentally Kyoto establishes binding emissions targets for developed countries and no new commitments for developing countries. Many countries have said that such a bifurcated structure would not be politically acceptable in a future UNFCCC agreement. The post-2020 regime will likely need to reflect a less rigid form of international governance, including at the level of emissions-reduction tools, if it is to garner broad support.

Bringing markets into the new regime

The Paris climate deal is being negotiated under the UNFCCC's Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). Its mandate is to "develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties, which is to be completed no later than 2015 in order for it to be adopted at the twenty-first session of the Conference of the Parties (COP) and for it to come into effect and be implemented from 2020."

By the end of March, parties will begin submitting their intended nationally determined contributions (INDCs), which constitute what a country proposes to do to combat climate change after 2020. At COP20 held in Lima, Peru last December countries agreed to some

broad definitions of areas and information to include in the INDCs. Some parties are likely to include the use of markets as part of their INDC as a way to achieve emissions-reductions.

The ADP's mandate does not address carbon markets. Within the ADP negotiations so far questions relating to carbon markets have arisen primarily in the context of emissions accounting. Many parties believe that, in a regime lacking the top-down architecture of the Kyoto Protocol, minimising the potential for double counting is an imperative if markets are to play a positive role. Responsibility for avoiding double counting could rest on countries that choose to use markets with discretion as to how they do so. Alternatively a common accounting procedure could be agreed internationally to account for market transfers between countries.

Meanwhile, other issues related to the future role of carbon markets are being negotiated outside the ADP, within the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA). In this track, parties are seeking agreement on a Framework for Various Approaches (FVA), as a way of co-ordinating market and non-market based mitigation actions that relate to commitments under the Convention. Such a system could facilitate the transfer of units between different countries in the absence of a Kyoto-like architecture, and establish a New Market Mechanism (NMM), as well as Non-Market Approaches (NMA). However, parties have yet to agree on a definition of any of these three concepts, which prevents the discussions from moving forward. A number of countries have also expressed reservations about market mechanisms from an ideological point of view.

At the most recent Lima COP the FVA discussions hit deadlock after negotiators disagreed on whether these talks should continue in SBSTA or be transferred to the ADP. Some parties did not want to continue with the technical discussions since they believed it would pre-judge outcomes under the ADP and the inclusion, or not, of markets in the new climate agreement. The FVA discussions will continue at the June SBSTA session in Bonn, Germany, but prospects for agreement on these issues in Paris are not high.

For carbon markets to continue to grow post-2020 it would be important that the Paris agreement at the very least not disqualify international transfers as a way for parties to implement their nationally determined contributions. An affirmative recognition that parties may employ market mechanisms would provide a positive signal although some parties, including some favouring the use of market mechanisms, do not believe this would be legally required to move forward with market tools. The Paris agreement could consider establishing a process to agree common accounting standards, and other relevant measures, at a later stage. Any such agreement, however, would need to overcome the divergent views on the use of markets.

Looking beyond the UNFCCC

Other forms of policy co-ordination can play an important role in the absence of international consensus. Linking binds together different emissions trading schemes into a common market. In the context of the post-2020 regime, if there is agreement that transferring units to satisfy a country's emissions-cutting obligations are legitimate – or at the very least do nothing to preclude it – such linkages could occur even in the absence of a specific, international framework such as the FVA.

Some governments have already gone down this route. The EU ETS and Australia's carbon pricing mechanism entered linking negotiations before the Australian government repealed their policy last July. At the sub-national level, California and Québec held their first joint auction of carbon allowances this past January, completing the process of joining their cap-and-trade programmes together. California is also exploring the possibility of allowing forestry offsets from sub-national provinces in Brazil, Indonesia, and Mexico.

Creating these linked emissions-reduction markets offers several advantages for governments seeking to take action on climate change. A common carbon price between

jurisdictions could alleviate some of the economic competitiveness concerns about uneven abatement costs faced by businesses, particularly when the link occurs between key trade partners. A linked market would, in theory, equalise the carbon price faced by firms in each jurisdiction. Some companies may be hesitant for their government to link to a market where the carbon price is higher because of concerns this will raise their individual compliance costs. Nevertheless, a broader pool of allowances and offsets would reduce the aggregate cost of reducing emissions across the entire market, by allowing firms with relatively high abatement costs to import allowances from firms located in another jurisdiction who face lower abatement costs.

A common carbon price between jurisdictions could alleviate some of the economic competitiveness concerns about uneven abatement costs faced by businesses, particularly when the link occurs between key trade partners.

Bilateral linking does require prior co-ordination. For example, the accounting standards used to measure emissions must be consistent, to ensure a tonne is a tonne across the common market. The use of market stabilisation measures, for example setting a minimum and maximum price within a carbon market, must be harmonised to prevent firms from exploiting arbitrage opportunities.

The EU and Australia, as parties to UNFCCC, had the benefit of being under the Kyoto architecture where many of these technical questions were already agreed internationally. California and Québec are both members of the Western Climate Initiative (WCI), established in 2007 to facilitate a regional carbon market between US states and Canadian provinces. Agreeing common approaches during the design phase of these market programmes has made bilateral connections easier to pull off.

The potential risk of these bilateral arrangements is if governments agree linkages without putting in place sufficiently stringent accounting or technical standards. In the absence of international guidance on the kinds of transfers that are acceptable, and a common accounting framework, the responsibility to ensure environmental integrity rests with the jurisdictions that link. Governments that link bilaterally or in a club would need to agree to stringent accounting rules, registry systems, among other aspects, and those wishing to join the scheme would need to meet these standards.

Moving forward with carbon trading

The most effective solution to co-ordinate market policies is a set of agreed international rules and mechanisms. The Kyoto architecture provides a common unit, common approaches, and common accounting that offer some certainty to carbon market investors. Ultimately, however, that system is tied to a view of differentiation and requires a level of international governance that does not engender broad participation.

A new UNFCCC regime could develop rules in line with these political realities. Whether this occurs under a FVA, or a new set of deliberations in the ADP, developing common multilateral standards for markets will require international consensus. However, anti-market sentiment could harm prospects for agreeing to meaningful, robust rules. In the meantime, there are approaches outside of the UNFCCC that can advance market linkage from the bottom-up, without waiting for top-down direction. So long as the new international climate regime does not prohibit the transfer of market units, interested governments could establish talks on common approaches, and lay the groundwork for bilateral or plurilateral linking. While this may not have the unifying effect of a global standard, or a common carbon price, it could allow those who wish to co-ordinate their market policies to do so unencumbered by the need for international consensus.



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CLIMATE CHANGE

Join the club: Group approaches to tackling climate change

David G. Victor

Multilateral UN talks have moved slowly over the years. Could smaller initiatives be a way to ramp up climate action?

The round of UN climate talks held last December in Lima, Peru saw delegates from over 190 nations clinch a deal necessary to move forward with efforts to agree on a new climate pact by next year's conference scheduled for Paris, France. While there are encouraging signs that Paris might yield a meaningful new agreement this does not change the reality that the UN Framework Convention on Climate Change (UNFCCC) is geared towards tackling a problem that is structurally extremely difficult to solve.

Serious mitigation of emissions requires paying upfront costs for distant and uncertain benefits. Ultimately, it requires that all nations cooperate, and yet under most current contexts each country will have substantial incentives to defect since low-carbon energy is currently more expensive than the energy technologies that exist. Moreover, because energy costs are such a big part of the economic competitiveness, there can be strong incentives to avoid bearing the cost of decarbonisation.

Framing climate deals in smaller groups – designed in a way that encourages expansion of membership and linkages among groups over time – could be much more effective and complement the multilateral UN process. Moreover, while some climate club efforts are already underway, what if such action in smaller groups was pushed more aggressively?

Six key tasks climate clubs could perform

One of the most important challenges for long-term management of climate change is getting countries that do not want to spend their own resources on mitigation to do more. I call these "reluctant" countries. Unfortunately, the role of reluctant countries in driving climate change is now much larger, with these nations already accounting for more than half of global emissions. The first thing that clubs could help to do is provide a forum for enthusiastic countries to "do the deals" that would get reluctant countries to make bigger efforts.

As a general rule, the higher the complexity, the smaller the group has to be. Evidence from the experiences of the Group of Eight (G8) and Group of Twenty (G20) suggests that groups of five to twelve members are probably about right. To be effective, such groups will need to find ways to create "club goods," that is, goods whose benefits accrue to club members but which can be excluded – at least partially – from outsiders. Examples might include low-tariff zones for low-emission energy technologies, a benefit that would flow to countries that agreed to the tariff regime, but which could be excluded from others. For countries with emissions trading schemes, climate clubs could be a useful forum for the crucial yet highly complex task of linking systems, which has proved slow thus far. The importance of unilateral action should also not be discounted as witnessed by the US draft regulations tackling carbon emissions from existing power plants. Efforts to entice reluctant countries might also emerge from sub-state actors, such as cities or provincial governments, whose role should be to encourage states to do more than they would otherwise.

A second task for clubs could be to deal with trade in embodied carbon. Compared to when serious climate diplomacy began over twenty years ago, trade in embodied carbon has exploded, mainly due to the rise of export manufacturing in China and

other emerging economies. For example, in 1990 trade in embodied carbon between developed and developing countries was just one-tenth of what it is now, according to the Intergovernmental Panel on Climate Change (IPCC). In a globalised economy large amounts of embodied carbon creates incentives for leakage, in other words, where countries avoid the cost of emissions limits thereby attracting growth and investment at the cost of others. A first option for a club in this area would be to introduce some discipline on unilateral border measures, paying heed to the advice trade lawyers and strategists have offered on how these can remain compatible with the WTO. Secondly, a club could use better accounting around emissions statistics using a whole economy approach, which would help to showcase the effects of trade.

Another task for clubs would be to build conditional commitments, which help to lock in what countries have already agreed to do, while also propelling them to pledge even more when they see the benefits of cooperation become tangible. While mitigation pledges are emerging at the UNFCCC level, known as intended nationally determined contributions (INDCs), a number of nations at the Lima climate talks blocked proposals for a dialogue peer review process. In this context perhaps working in smaller groups to outline conditional pledges and review processes may prove more comfortable.

Given that spending on and outputs from innovation worldwide are concentrated in a few countries this is another ideal topic for small clubs. Joint programmes such as those announced between the US and China, for example, focusing on clusters of technologies such as carbon capture, use and sequestration (CCS) generate great benefits for both partners. For most technologies it will be important to think strategically about how to involve the private sector. Firms in highly concentrated industries tend to recover a greater benefit from effective pledges. Working with firms will also require a mental shift for some governments, moving from a scenario where all comers are treated equally, to promising credible rewards for some following investment in new technologies.

One of the strongest case for clubs lies in the ability of smaller groups to develop and demonstrate solutions to hard problems. A good example here would be to tackle short-lived pollutants (SLCPs) such as soot, methane, and hydrofluorocarbons (HFCs) because demonstrable benefits such as improvement of air quality are more evident with these. And while it will not be possible to stop warming through reducing SLCPs alone, movement forward on a climate-related problem could demonstrate the credible action is feasible, with such logic already inspiring a group of countries to take action in this area through the Climate and Clean Air Coalition (CCAC).

Finally, small clubs could be a useful place to look at how the international community might wisely spend money on climate adaptation, as the issue rises up the international agenda. Norway's climate fund could be a good model to start with. A group of donors puts a large and credible funding promise into play, along with credible offers of technical assistance, with developing countries then competing to make best offers.

Overall the idea of getting started in small groups is not new. What is different today is the realisation that the broad UN-based approach to cooperation has not, by itself, worked that well so far. A key way of encouraging the club-approach would be for governments to agree, at the Paris meet in December, to facilitate an umbrella agreement of agreements to wrap around the multilateral deal. Some discipline for clubs would also be needed, for example, basic standards, mutual recognition across club commitments, and serious peer review. Some strategic thinking will also be needed to identify which countries are likely to make the effort to create and join certain clubs. And while one cannot stop climate change and totally transform the world's energy system unless all countries are ultimately involved, it is both possible and necessary that countries' get started on the mounting task ahead, working on the complex deal-making by making progress in smaller groups.



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ENVIRONMENTAL GOODS AND SERVICES

Environmental Goods Agreement talks focus on clean energy products

A fourth discussion round on the "green goods" trade talks was held at the end of January in Geneva, Switzerland between the now 15 participating WTO members.

The latest round of talks towards securing a tariff-cutting deal on select environmental goods made progress at the end of January, trade sources say, with several participating countries presenting indicative lists of product nominations related to cleaner and renewable energy, as well as energy efficiency. Following another discussion round next month, the talks for an Environmental Goods Agreement (EGA) could move into full negotiation mode in the second quarter of this year, officials confirmed, as long as the process continues to head in the right direction.

The US and the EU are said to have tabled the largest lists of indicative product nominations in the energy-focused round, with Australia, Canada, Japan, New Zealand, South Korea, and Switzerland also proposing products to include. China has not yet come forward with indicative product nominations for either this round or the ones preceding it, although it reportedly promised to do so for the EGA's next session in mid-March, citing the need for more time in order to co-ordinate internally.

The January meeting reportedly saw some technical discussion on renewable energy products, including in relation to component parts. Several participants backed including equipment used in hydropower applications in the eventual EGA. Sources say that some participants also expressed preferences for including goods related to nuclear power, biodiesel, methanol, wood products, as well as hybrid vehicles, all of which are likely to prompt some further conversations within the group.

These talks are the result of a pledge made a year ago at the World Economic Forum (WEF) gathering in Davos, Switzerland, where a group of 14 WTO members announced plans to negotiate this Environmental Goods Agreement. Formal talks then began last July. (See BioRes, [10 July 2014](#))

In the past, EGA participants said that they would build on a list of environmental goods under 54 tariff lines agreed to by the Asia-Pacific Economic Cooperation (APEC) forum in 2012, with the possibility of including other products. The 21-country APEC group has committed to lowering applied tariffs on these 54 tariff lines to five percent or less by the end of this year.

From discussion to negotiation

March's discussion round will focus on environmental monitoring, analysis, and assessment, environmentally-preferable products, and resource efficiency. Sources have confirmed that the discussion approach has served to help participants fine-tune their product proposals, particularly in terms of "ex-outs," which are product descriptions where international customs codes are not detailed enough. A total of four technical discussion rounds have been held so far in Geneva, Switzerland, each examining product nominations related to specific environmental goods categories or sectors. EGA participants have said that this "category approach" is geared towards ensuring the environmental credibility of the products nominated and selected for inclusion in the eventual list slated for tariff cuts.

EGA negotiators reportedly agreed at the January session that each participant's initial product nominations – across each of the environmental goods categories discussed – should be put forward by the beginning of April. That date represents a soft deadline,

however, with participants agreeing to be flexible if necessary. Once EGA participants come forward with these compiled lists, the talks would then move into a second phase geared more towards concrete negotiations, beginning with a week of consultations in early May. Two further rounds were reportedly agreed to at the January session, one planned for 15-19 June and another for 27-31 July.

Climate context

While January's discussions focused on the details of trade in energy-related products, delegates are reportedly keeping in mind parallel efforts to negotiate a global climate deal under the UN Framework Convention on Climate Change (UNFCCC), in time for this December's Conference of the Parties (COP) in Paris, France. A number of EGA participants have said that the deal offers an opportunity for trade policy to do something positive on climate action. With the energy supply sector being the largest contributor to global greenhouse gas (GHG) emissions, according to UN climate scientists, boosting trade in clean energy and energy efficiency products could play a role in curbing man-made climate change.

"Reducing tariffs on environmental goods can enable innovation and deployment to other countries, thus helping to scale up low carbon development," said Danish Ambassador to the WTO Carsten Staur at an event hosted by ICTSD in January on the EGA's climate potential. [*Editor's note: ICTSD is the publisher of BioRes*]

A number of goods relevant for the supply of clean energy, in particular solar cells, panels, and modules, are already duty-free in all EGA markets due to the initiative's current participants also being signatories to the WTO's Information Technology Agreement (ITA) – a separate plurilateral tariff-cutting initiative covering select information and communication technology (ICT) products. Various other goods in this area could, however, still usefully be added to the list according to some researchers.

EGA participants have set themselves the goal of reaching some form of agreement by the WTO's tenth ministerial conference this December in Nairobi, Kenya. Whether the EGA talks could have come far enough along to deliver a signal of success in time for the Paris climate talks, which are scheduled prior to the WTO's Nairobi meet, remains an open question and will be difficult to evaluate until participants move into more formal negotiations.

ITA lessons?

In the corridors at the January session, some delegates reflected on the need to learn from the ITA experience, particularly around a review process for the eventual EGA list. Efforts among a subset of the ITA's signatories to expand the deal's product coverage to reflect the realities of today's trade – given the technological advances seen since the original agreement was finalised in 1996 – have repeatedly stalled in recent years. The negotiations are currently deadlocked over a disagreement between China and South Korea.

Some experts have argued that it would be important for the EGA negotiations to create a review mechanism as part of the EGA in order to ensure a "living list." This could be useful in the context of evolving climate mitigation and adaptation technologies and needs, for example, as well as keeping pace with other environmental challenges. However, no detailed formal discussion has yet taken place on this topic, although some sources suggest that a forthcoming EU non-paper on draft elements for the eventual EGA text – which the 28-nation bloc has suggested it will circulate to other EGA participants following internal consultations – could possibly prompt further talks in this area.

New members

The latest round saw Israel formally join the talks, following domestic approval by existing members, bringing total EGA participants to 15. Turkey and Iceland have also applied to join the initiative, and sources say that the various domestic procedures among other participants will likely have concluded in time to bring these two nations into the talks by the March round.

DEVELOPMENT FINANCE

UN talks on new development financing text advance

Development financing will play a role in implementing the post-2015 development agenda. UN members are in the process of reviewing past finance commitments, as well as emerging needs, in order to ensure future sustainable development aims.

UN members meeting amid a snowstorm in New York at the end of January began to make progress on a text geared towards assessing and strengthening development financing. The gathering was the first in a series of sessions building up to a high-level July conference in Addis Ababa, Ethiopia, where the document is set to be agreed.

Delegates decided at the January session that the outcome document of this Third International Conference on Financing for Development (FfD3) should build on the 2002 "Monterrey Consensus," with some additions to ensure co-ordination with another ongoing UN process on elaborating a post-2015 development agenda.

Despite these advances, reports indicate that some key areas will still need to be hammered out in the two remaining drafting sessions before the July FfD3 meet, such as how the outcome document will interact with the post-2015 process including the planned sustainable development goals (SDGs), and the role of private finance.

Negotiations for a post-2015 outcome document began last month, with that text due for adoption at a high-level summit in September. The SDGs would replace the current Millennium Development Goals (MDGs) when they expire later this year and a draft list of goals was put forward by a UN group last July. (See BioRes, [29 January 2015](#))

Development and trade finance

After years of multilateral discussions on financing for development, the first FfD3 conference in Monterrey, Mexico in March 2002 resulted in an outcome document consisting of six general issues on development financing.

These included mobilising domestic financial resources; mobilising international resources for development; trade; international financial cooperation for development; debt; and systemic issues such as enhanced coherence in the international monetary system vis-à-vis development outcomes.

The Monterrey Consensus set out various trade policy priorities, such as the importance of the multilateral trading system; reducing agricultural trade distortions; facilitating WTO accession; improving market access; enhancing the role of regional trade agreements; and the need to build productive capacity in low-income countries.

A second FfD conference was held in December 2008 in Doha, Qatar in the aftermath of the global economic slump. That [outcome document](#) updated several of these trade priorities, underlining the need to conclude the WTO's Doha Round and to implement the Aid for Trade initiative. The document also called on developing countries in a position to do so to provide duty-free, quota-free (DFQF) market access for least developed country (LDC) exports.

Trade for sustainable development?

Discussions in January were guided by a non-paper on possible elements to include in the final outcome document prepared by the FfD3 Co-Facilitators, Ambassador George Talbot of Guyana and Ambassador Geir Pedersen of Norway.

The elements outline seven potential building blocks for future development finance and monitoring – including on the role of trade – that might be included in the final text. A series of policy ideas were also presented in each block. These built on previous FfD outcomes along with the various finance aims in the proposed SDGs.

Trade finance elements largely feature in the proposed SDGs as means of implementation (Mol) for achieving the overall framework, as well as specific targets within certain goals.

Reflecting on the trade elements in the Co-Facilitators' paper in the January session, some delegates called for retaining substantive discussions on trade within the WTO, where members are working to meet a July deadline for finalising a work programme to conclude the Doha Round.

Divisions appeared on the framing of regional trade agreements (RTAs) in the Co-Facilitators' elements paper, which says that a proliferation of such deals may not always take into account social impacts, financial stability, and environmental sustainability, leading to adverse outcomes.

Some UN members said that this wording might overemphasise the negative effects of RTAs, suggesting instead that these agreements could foster development and complement existing trade regimes.

Some trade watchers say that the FfD process may enable a broader discussion about the new realities of the global trading system, in contrast to the proposed SDGs, which mostly refer back to the existing multilateral system under the WTO.

Other ideas in the Co-Facilitators' paper would expand on the proposed SDG targets. For example, the section on possible trade finance policy options calls for DFQF treatment for LDC products in all high and upper-middle-income country markets. Proposed SDG 17 refers to WTO decisions in this area, which encourage developed countries, and developing countries that declare they are in a position to do so to improve DFQF treatment of LDC exports.

Some suggestions appear aimed at filling gaps in the proposed SDGs. The paper's reference to trade-facilitating infrastructure brings trade facilitation back into the discussion, which has lately been absent from the SDG preparatory process.

The FfD elements paper also included ideas that point to a nuanced discussion about how trade can be harnessed as an engine not just for development – as the Monterrey and Doha outcomes termed it – but for meeting sustainable development objectives, such as by addressing trade liberalisation's social and environmental impacts.

For example, one other trade policy option put forward would be strengthening public interest exemptions for health and climate-related technologies under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

Next steps

The July Addis Ababa conference will be the first in a series of major international meets scheduled for the coming year that are slated to craft a new vision for sustainable development.

Along with January's talks on the relevant links to the planned post-2015 development agenda, delegates also asked questions around the relationship between FfD3 and the UN climate talks scheduled for Paris, France in December that aim to seal a new global climate agreement.

The Co-Facilitators aim to prepare a zero draft for the Addis Ababa outcome document by the end of February. The next drafting session will be held from 13-17 April at UN headquarters.

POST-2015 DEVELOPMENT AGENDA

UN member states begin post-2015 development agenda negotiations

The post-2015 development agenda is due to be adopted by world leaders at a high-level summit in New York in September.

A series of talks between UN member states geared towards agreeing on a post-2015 development agenda kicked off in January with a three-day session reviewing the preparatory efforts undertaken over the past two years. Delegates welcomed the work of a dedicated UN group to craft a list of proposed sustainable development goals (SDGs) to include in a new agenda.

The talks also addressed possible key messages that should be included in an eventual declaration on the post-2015 development agenda. Some remaining gaps were reportedly apparent in member states' views around how to achieve equitable development and associated responsibilities.

Born out of a high-level UN meeting held in 2010 on the existing Millennium Development Goals (MDGs), which are set to expire at the end of this year, the new agenda would design a new vision for sustainable development out to 2030. The SDGs, following the mandate set at the Rio+20 conference on sustainable development held in Rio de Janeiro, Brazil in 2012, are slated to replace the MDGs.

Trade tools for sustainable development

During the January discussions, several member states pointed to the role of trade as a means of implementation – through acting as support – for achieving the proposed sustainable development goals (SDGs).

According to Earth Negotiations Bulletin (ENB), Benin on behalf of the least developed countries (LDCs), said that given the limited potential for domestic resource mobilisation among this group, other sources should be tapped for implementation. These could include aid, trade, private capital flows, and debt relief, Benin suggested.

Niger also reportedly told the meeting that trade could play a “catalytic role” in helping landlocked developing countries (LLDCs) mobilise the resources they need for sustainable development. Aid for Trade, a WTO-led initiative geared towards helping developing countries better integrate into the global trading system, was also cited as a useful tool. The WTO is set to hold the Fifth Global Review of Aid for Trade from 30 June-2 July. This year, the biennial event will focus on the theme of “Reducing Trade Costs for Inclusive, Sustainable Growth,” given the post-2015 development agenda context.

Trade tools feature across the proposed set of SDGs put forward last July by the Open Working Group on Sustainable Development Goals (OWG). The group's proposed SDGs include trade targets deployed as means of implementation (MOI) for meeting specific goals, such as aid for trade in support of economic growth. In other cases these are posited as targets within a goal, such as eliminating fisheries subsidies to support the sustainable use of marine resources.

Several more systemic trade-related targets are included under a final proposed goal on MOI for the entire framework. In that section, language is included referring to the promotion of a “universal, rules-based, open, non-discriminatory, and equitable multilateral trading system under the WTO,” including the conclusion of the current Doha Development Agenda (DDA) negotiations. (See BioRes, [23 July 2014](#))

More generally, a number of UN member states said in January that delivering the eventual SDGs would be impossible without sufficient MoI and partnerships, underlining the interconnections between the SDGs and the Third Conference on Financing for Development (FfD3) due to be held in July in Addis Ababa, Ethiopia. Some observers have suggested, however, that these important links between the post-2015 and FfD3 have not yet been clearly defined.

Suggestions were reportedly provided in January on how to manage the overlap between the two processes including, for example, using FfD3 outcome document language in the post-2015 agenda text. Some other member states, however, voiced a preference for establishing a firewall between the two negotiations in order to minimise work duplication.

The year ahead

"We now begin a seminal year, which should kick-start a new era of sustainability for all humankind," UN Secretary General Ban Ki-moon said at the opening the post-2015 stocktaking in January, drawing attention to three important meetings in the coming months: FfD3 in July, the September post-2015 summit, and the Paris UN Framework Convention on Climate Change (UNFCCC) talks in December.

In December, Ban issued a synthesis report on the post-2015 agenda process to date and suggested that UN members should prioritise six essential elements when crafting the outcome document: dignity, people, prosperity, planet, justice, and partnership. (See BioRes, 13 December 2014)

Speaking at the World Economic Forum's Annual Meeting in the Swiss ski resort of Davos, however, Ban said that the meeting, along with the Group of 20 (G-20) summits of major developed and emerging economies, had failed to take sustainable development seriously. The UN chief warned that a lack of focus on green investment in global governance conversations remained troubling.

Some climate sceptics argue that stringent green policies and reform can affect energy costs and export competitiveness, among other concerns. Others suggest growth and environmental protection can co-exist. A report released by a group of leading economists last year, dubbed the New Climate Economy Report, found that it was possible to reconcile economic growth with a shift to a low-carbon economy. For example, cutting the near US\$600 billion in fossil fuel subsidies provided per year could release resources for other purposes, the authors contend.

Next steps for the post-2015 agenda

This past December, the UN General Assembly adopted a decision outlining the modalities for negotiations on the post-2015 development agenda. According to the resolution, the outcome document prepared over the coming months may include four key components: a political declaration; a set of SDGs and targets; means of implementation and partnerships; and follow-up and review systems. The next four sessions will in turn look at each of these components. Two meetings in June and July are then scheduled for intergovernmental negotiations on the draft outcome document for September.

Among the work that still needs to be done is developing a set of indicators for the SDGs. During the closing session in January, David Donoghue – a Co-Facilitator of the negotiations and Ireland's Permanent Representative to the United Nations – said that the UN Statistical Commission will present a draft set of indicators before the March session that will focus on the proposed SDGs. Others, including Ban in his Synthesis Report, have called for a "technical review" of the proposed goals and targets by experts within the UN system. This idea met with mixed reactions in January, according to ENB, with some delegates not willing to re-open the OWG outcome document.

In preparation for the next meeting, which will focus on the post-2015 declaration, Donoghue and Macharia Kamau – Kenya's Permanent Representative to the UN and also a Co-Facilitator – will soon release a list of possible items to include in that section.

The newroom

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EU Parliament votes for national GM bans

The European Parliament in mid-January gave the green light to a compromise deal that would allow individual EU nations to ban the cultivation of genetically modified (GM) crops that have been approved at the EU-level. The new rules, which still need a rubber stamp from the bloc's 28-member states, would end a near four year regulatory stalemate between the EU's governing institutions on the issue.

Under the new legislation EU member states could impose national bans on GM crops on environmental policy grounds citing risks beyond those considered by the European Food and Safety Authority (EFSA). In order to do so, however, member states must seek the consent from the company responsible for the GM crop. If the company eventually disagrees member states may move to impose the bans unilaterally. The text also encourages member states to pay particular attention to preventing cross-border contamination with neighbouring countries. The proposed rules have been criticised by some environment groups, as well as industry representatives.

UN climate talks seek to engage stakeholders

The UN climate talks are set to catalyse a wide-range of state and non-state action on tackling climate change. The UN Secretary General Ban Ki-moon, as well as the outgoing and incoming Presidents of the UN Framework Convention on Climate Change (UNFCCC)'s annual Conference of the Parties (COP) in January released a joint declaration entitled the "Lima-Paris Action Agenda" geared towards increasing stakeholder engagement in the multilateral, intergovernmental process.

The agenda commits to strengthening long-term cooperative action in order to advance sustainable development with the goal of reducing poverty and promoting economic prosperity. The document pledges to engage the private sector and relevant stakeholders in order to scale-up climate finance. Significant partnerships and actions by non-state actors will also be showcased and a space will be set aside in Paris to that end. Regional, provincial, and city-level action will also be encouraged.

Rhino poaching in South Africa continues to rise

South Africa's environment ministry reported in January that poachers killed a total of 1,215 southern white rhinos last year, making 2014 as the worst year on record, with 200 more deaths than the year before. The figures indicate that an average of more than three animals were culled per day, or 100 per month, in a country that is home to 80 percent of the world's wild rhino population. The latest figures confirm the severity of South Africa's poaching crisis, where rhino losses have increased substantially over the last seven consecutive years, posing a long-term threat to populations.

Last month Edna Molewa, South Africa's environment minister, said that the latest poaching figures were "worryingly high." The government has deployed a variety of measures to tackle the problem in recent years including moving rhinos from the country's flagship Kruger National Park to undisclosed locations. Demand for rhino horn in regions of Eastern Asia – which has driven up black market prices – is considered by experts to be among the key drivers of the poaching and illegal international trade.

EU to ban Sri Lankan fish imports

After months of discussion, the EU agreed in late January to impose an import ban on Sri Lankan fisheries products, citing concerns around a lack of proper oversight from the island nation on illegal, unreported, and unregulated (IUU) fishing. Sri Lanka is the second biggest exporter of fish species such as swordfish and tuna into the 28-nation bloc.

The EU ministers' decision follows a formal European Commission proposal last October to blacklist Sri Lankan fish imports. That move came after four years of dialogue between the Brussels and Colombo in an effort to address an absence of regulation to tackle IUU and control measures to keep illegal fish activities in check. These include a failure to implement international legal obligations under the UN Convention on the Law of the Sea (UNCLOS) and an inadequate vessel monitoring system to control for illegally caught fish. Sri Lanka was among eight states handed warnings by the Commission in November 2012.

New satellite project to help tackle illegal fishing

A new satellite system, run by British technology firm Satellite Applications Catapult and backed by non-profit group the Pew Charitable Trusts, was launched in January with the aim of helping to crack down on illegal fishing.

The project, dubbed "Eyes on the Seas," will open a "Virtual Watch Room" through which government authorities can remotely monitor certain waters of the Pacific Ocean. Programme experts say they hope to expand the system over the next three years to cover other areas. The new software has been welcomed by Tommy E. Remengesau Jr, President of Palau, an island that has struggled to monitor its waters due to a lack of resources. Remengesau said that the tool had already helped to identify suspicious vessels.

Currently about 20 percent of the world's fish are illegally caught, according to some experts, running to the tune of as much as US\$23.5 billion annually.

While the definition of illegal, unreported, and unregulated (IUU) fishing covers a wide range of behaviours, this may include actions that violate national or international fisheries laws.

CITES, China workshop focuses on illegal ivory

The Chinese government and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) held a two-day expert workshop in Hangzhou at the end of January focused on consumer-side strategies to tackle illicit elephant ivory trade flows. The meeting, attended by over 80 participants from national wildlife and other relevant Chinese authorities, international organisations, non-governmental groups, as well as specialists and experts, was the first of its kind geared towards reducing Chinese domestic demand for illegal ivory.

Following the workshop China's Vice Premier Wang Yang met with CITES Secretary-General John E. Scanlon to discuss the illegal wildlife trade challenge. Yang reportedly said that collaborative efforts across range, transit, and destination states were necessary to tackle the problem.

An estimated 100,000 African elephants were killed for their ivory according to new CITES-sponsored research published last August. Data studied by the scientists suggests that China is among the top destinations for trafficked elephant ivory.

US President moves to boost Arctic governance

US President Barack Obama in January signed an executive order to co-ordinate efforts in implementing policies dealing with Arctic conservation citing the long-term strategic, ecological, cultural, and economic value of the region.

"Over the past 60 years, climate change has caused the Alaskan Arctic to warm twice as rapidly as the rest of the United States, and will continue to transform the Arctic as its consequences grow more severe," the US President said in the order, adding that clear regulation would be needed to cope with these challenges.

The order will create an Arctic Executive Steering Committee to help streamline the work of 23 different federal agencies charged with dealing with various aspects of the Arctic. The new body will provide guidance to these various agencies to reduce duplication of efforts as well as flag any potential governance gaps.

This coming April, the US will take over the rotating chair of the Arctic Council, an intergovernmental forum geared towards regional governance, including Canada, Denmark, Finland, Iceland, Norway, Sweden, and Russia.

US confirms final duties on China, Taiwan solar

The US International Trade Commission (US ITC) said in January that allegedly unfair trade practices by Chinese and Taiwanese solar product manufacturers had indeed caused material injury to US producers, ensuring that Washington would be levying hefty duties in response.

The vote by the US agency is the final step in an investigation that began a year ago in response to petitions filed by SolarWorld Industries America, Inc., which had alleged that Chinese producers were skirting a set of existing duties on these products, specifically by using foreign-made cells in their production processes.

The US Commerce Department had already determined the level of these duties in December, after confirming the presence of both dumping and unfair subsidies. The products under investigation involved modules, laminates, and/or panels made using crystalline silicon photovoltaic cells. Those goods already covered by the 2012 duties were not part of the probe. Approval by the US agency is necessary for the US Commerce Department to impose final duties; had the US ITC voted in the negative, the duties previously approved would not go into force.

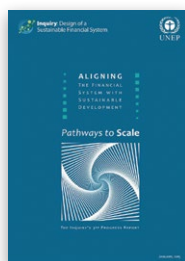
Publications and resources



Breathing Life into the List: Practical Suggestions for the Negotiators of the Environmental Goods Agreement – Friedrich Ebert Stiftung – January 2015

This study authored by economist Aaron Cosbey identifies key elements that might be needed to create a review mechanism, or "living list," in an eventual tariff liberalising Environmental Goods Agreement (EGA). The paper makes the argument for having such a mechanism and proposes concrete examples of how these elements might be embedded. The author suggests a review mechanism could be used in order to ensure the continued environmental relevance of an EGA but also to remove existing goods that no longer meet the "greenest" of standards as these change over time.

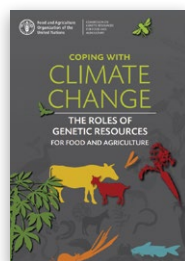
The study can be accessed at <http://bit.ly/1uXv0ho>



Aligning the Financial System with Sustainable Development: Pathways to Scale – UNEP – January 2015

This report from the UN Environment Programme (UNEP) aims to identify innovations in the US\$300 trillion global financial system which, if brought to scale, the authors argue could help to close a gap in sustainable development investment. The report is the third study from the UNEP Inquiry into the Design of a Sustainable Financial System. A key problem identified is that financial markets do not effectively price environmental resources.

The report can be accessed at <http://bit.ly/1AsiVYC>



Coping with Climate Change: The Roles of Genetic Resources for Food and Agriculture – FAO – January 2015

In this report, the UN Food and Agriculture Organization (FAO) summarises various thematic studies on the interactions between climate change and plant, animal, forest, aquatic, invertebrate and micro-organism genetic resources. The publication suggests that these genetic resources may play an important role in adapting to and coping with climate change.

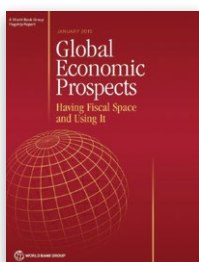
The publication can be accessed at <http://bit.ly/1Dxb2yD>



Indicators and a Monitoring Framework for Sustainable Development Goals: Launching a Data Revolution for the SDGs – SDSN – January 2015

The second working draft of this report, led by the Sustainable Development Solutions Network (SDSN), is geared towards helping policymakers develop an indicator framework for the eventual sustainable development goals (SDGs). The paper presents both global reporting indicators and complementary national indicators and discusses the feasibility of reporting on both these levels. The report also seeks to explain how cross-cutting indicators could be addressed across an entire indicator framework.

The working report is available at <http://bit.ly/16xYbCi>



Global Economic Prospects: Having Fiscal Space and Using It – World Bank Group – January 2015

This report argues that several major forces, including soft commodity prices and slow global trade, are driving a weak global economic outlook. While the sharp decline in oil prices since the middle of last year could boost economic activity for oil-importing developing economies, this trend risks dampening growth potential in some oil-exporting countries. The report includes detailed analysis of recent economic changes in various developing regions, including country-specific forecasts.

The full report can be accessed at <http://bit.ly/18MZBtF>



Sustainable Development Goals and Integration: Achieving a Better Balance Between the Economic, Social, and Environmental Dimensions – The German Council for Sustainable Development – January 2015

The authors in this report examine the integration of the three dimensions of sustainable development – social, economic, and environmental – in the proposed list of sustainable development goals (SDGs) recommended by a UN group last July. The paper puts forward three options around how to build on the proposed SDGs in order to achieve a better balance.

The report can be downloaded at <http://bit.ly/1DdHfgA>



Confronting Development, A Critical Assessment of the UN's Sustainable Development Goals – Rosa Luxemburg Stiftung – January 2015

In this study the authors examine the trajectory from the Millennium Development Goals to their eventual successors, the sustainable development goals (SDGs), scheduled to be adopted by UN members in September as part of a high-level summit on the post-2015 development agenda. The authors identify the main players in the process to date and provide suggestions on how various actors might intervene to shape the final list.

The study can be accessed at <http://bit.ly/1EG1dLY>



Financing the Post-2015 Sustainable Development Goals: A Rough Map – ODI – January 2015

This study from the Overseas Development Institute (ODI) provides an overview of the possible channels for financing the post-2015 development agenda, including specific policies to unlock private sector participation, as well as the landscape of climate finance. The study builds on recent literature on how the sustainable development goals (SDGs) might best be delivered and identifies a few key pressure points where additional international action might be feasible.

The study can be accessed at <http://bit.ly/1DFgNum>



Thoughts on the Choice of Form of an INDC – MAPS – December 2014

This working paper, published by developing country collaboration Mitigation Action Plans & Scenarios (MAPS), seeks to support in-country teams engaged in shaping Intended Nationally Determined Contributions (INDCs). It identifies the various forms these contributions might take and what to consider when decided on a specific form. The authors are looking to revise and add to the paper in accordance with the Lima climate talks' outcomes.

The full report can be accessed at <http://bit.ly/1zeHdDH>



Financing Sustainable Development: Implementing the SDGs through Effective Investment Strategies and Partnerships – SDSN – December 2014

This report by the Sustainable Development Solutions Network (SDSN) aims to provide input into the discussions shaping the outcome document of the Third International Conference on Financing for Development, due to be held later this year in Addis Ababa, Ethiopia. The paper outlines positions on a broad array of issues, including public-private partnerships, climate and infrastructure finance, official development assistance, financial regulations and more.

The report can be accessed at <http://bit.ly/18MWv8S>

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