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PREFERENTIAL AGREEMENTS

TPP, TPA Timeline in Focus Ahead of Japan PM's Visit to Washington

The next few weeks are expected to be crucial ones for the 12-country Trans-Pacific Partnership (TPP) talks, as trade observers eye a planned trip by Japanese Prime Minister Shinzo Abe to the US this month and a possible ministerial-level meeting of the TPP countries in May as opportunities for progress before the American election cycle kicks into high gear.

The Japanese premier is due to visit Washington in late April, with the visit set to include a meeting on 28 April with US President Barack Obama to discuss a range of issues, including the TPP, according to a White House [press statement](#). Abe has also been invited to address a joint session of the United States Congress the following day.

"[Abe's] address will provide an opportunity for the American people to hear from one of our closest allies about ways we can expand our cooperation on economic and security priorities. That, of course, includes working together to open markets and encourage more economic growth through free trade," [said](#) Speaker of the US House of Representatives John Boehner, a Republican of Ohio, in announcing the invitation.

However, the continued divide among Washington lawmakers on how to proceed with efforts to renew "fast track" trade powers – known formally as Trade Promotion Authority (TPA) – has made it difficult to predict when and if a breakthrough on the bilateral US-Japan talks on agriculture and automobile market access will be reached.

Recent statements from top Japanese officials have similarly highlighted the challenges that remain.

"It is impossible to make unnecessary concessions in line with my trip to the United States," the Japanese prime minister said last week at a meeting of the Upper House Budget Committee, according to reports in the Kyodo news agency.

In his remarks, Abe added that while the TPP talks are indeed in their "final phase," as other officials have affirmed, various problems remain.

US Trade Representative Michael Froman, for his part, said last week that Washington does "feel that we can close this out in a very small number of months," according to comments reported by Reuters. The Obama Administration has said that the goal is to wrap up the 12-country negotiations, which together cover over 40

percent of global GDP, this year. (See Bridges Weekly, [5 March 2015](#))

Further down the road, a TPP ministerial-level meeting is now expected in late May, according to a [statement](#) published last week on the Chilean government's Directorate-General of International Economic relations website. The exact dates and location are still to be determined, the statement said.

"Exterior deadlines," despite US congressional recess

Meanwhile, negotiations among the key lawmakers drafting the TPA legislation – Senator Orrin Hatch and Congressman Paul Ryan, both Republicans, and Democratic Senator Ron Wyden – were still unresolved when the US Congress broke for its Easter recess, which continues through 10 April.

TPA allows the US executive branch to submit completed international trade deals to Congress for a straight up-or-down vote, without amendments. It also allows US lawmakers to set negotiating objectives for such agreements.

The recent efforts to renew the legislation, which expired in 2007, have brought to the fore long-standing disagreements among US lawmakers over the merits of international trade deals, and questions regarding both their content and the transparency of the negotiations more generally.

During the current congressional recess, however, a group of US lawmakers from both parties is travelling to Cambodia, Japan, Korea, Myanmar, and Vietnam, whose result could potentially influence the contentious Washington debate.

Of these five nations, two of them – Japan and Vietnam – are involved in the TPP negotiations. Korea, meanwhile, has expressed a potential interest in joining the pact once it is completed.

"[Lawmakers] are particularly interested in gaining further understanding of how the Trans-Pacific Partnership (TPP) trade agreement that is currently being negotiated will impact the region's markets and economies," said House Minority Leader Nancy Pelosi, a Democrat who is leading the delegation, in a [statement](#) ahead of the trip.

Pelosi said last month that, while she is among those lawmakers pushing for a consideration of TPP on its own merits before advancing TPA, she does hope to find a road to "yes" on these issues.

Amari urges "direct efforts" from White House

Given the limited political window in passing TPA before the American election cycle ramps up, Japanese economy minister Akira Amari publicly called this week for the US president to make more "direct efforts" to bring more lawmakers on board for the renewal of TPA, warning that the delay is leading to "real time constraints."

TPP officials from other member countries have similarly said that they need to see advances in securing TPA before they can make their final commitments under the Trans-Pacific Partnership.

"Once a TPA bill is submitted to Congress then we can enter a resolution mode," Amari told the Financial Times, referring specifically to the bilateral negotiations with the US under TPP.

The Japanese official has also said in recent weeks that he hopes that Washington and Tokyo can reach a bilateral deal within the overall TPP context ahead of Abe's visit to the US. (See Bridges Weekly, [19 March 2015](#))

US lawmakers themselves have also acknowledged the potential time constraints posed by the upcoming meetings, with Ryan telling reporters last week that “we’ve got exterior deadlines that I think we need to be mindful of” regarding TPA and TPP.

Other issues on the table

Though the public focus has largely been on the progress between the US and Japan on their bilateral negotiations, other outstanding issues reportedly remain on the table, both between individual pairs of TPP members and across the broader group.

For example, New Zealand and Japan are said to be making slow progress in their talks on dairy product market access, according to trade officials from both sides.

The negotiations between Wellington and Tokyo have been “significantly delayed,” Amari told journalists last week following a meeting with New Zealand Trade Minister Tim Groser, according to reports in the Kyodo news agency.

Reports following a meeting at the chief negotiators’ level in Hawaii last month did not announce any major breakthroughs, but rather highlighted discussions on market access, intellectual property, rules of origin, state-owned enterprises, and textiles. At the time, a statement published by the Canadian government confirmed only that additional intersessional work would continue in the weeks ahead. (See Bridges Weekly, [19 March 2015](#))

ICTSD reporting; “Japan calls on Obama to step up personal involvement in TPP,” FINANCIAL TIMES, 30 March 2015; “Abe vows not to concede ground on TPP talks ahead of U.S. trip,” KYODO, 27 March 2015; “Japan-New Zealand TPP talks making slow progress: Amari,” KYODO, 25 March 2015; “Ryan claims ‘good progress’ on congressional trade talks,” AGRI-PULSE, 26 March 2015.

GLOBAL ECONOMIC GOVERNANCE

Asian Infrastructure Investment Bank Draws Broad Interest as Initial Application Deadline Passes

The new Asian Infrastructure Investment Bank has drawn over 40 requests from countries interested in becoming prospective founding members, Chinese officials confirmed this week, following the close of the initial application deadline this Tuesday.

Plans for the launch of this bank were first announced in October 2013 by Chinese President Xi Jinping and Premier Li Keqiang; a year later, Beijing signed a memorandum of understanding with 20 other Asian countries for establishing the bank.

The multilateral development institution will be headquartered in Beijing, with China envisioning an end-2015 establishment date, according to the [AIIB website](#).

The bank describes itself as pursuing a "lean, clean, and green" mode of operations, one that will also feature "strong policies" in areas such as governance and accountability, as well as in financial, social, environmental, and procurement frameworks.

The focus on the bank, officials say, will be on developing infrastructure and other productive sectors within the Asian continent, in areas ranging from energy and power to environmental protection, telecommunications, rural investment, and agriculture.

The AIIB would initially be capitalised to the tune of US\$50 billion, with authorised capital currently set at US\$100 billion, according to Chinese state-run news agency Xinhua.

To date, prospective members include countries ranging from France, Germany, Italy, Luxembourg, Switzerland, and the UK in Europe to South Korea and Australia on the Pacific side. The most recent applicants also include Russia, Norway, Israel, and Taiwan.

Japan, for the moment, has not applied to join, though Tokyo officials have reportedly not ruled out the possibility of joining later on if the AIIB meets certain governance standards.

The exact number of prospective funding members will be confirmed on 15 April, said Chinese Foreign Ministry Spokesperson Hua Chunying at a [Wednesday press conference](#). At the time, 30 countries had passed the multilateral review procedures, Hua told reporters, while noting that more recent applications were still being examined.

US response

US officials had initially criticised decisions by many of its major partners in applying to join the bank, citing questions on how exactly the AIIB will address in practice its own governance and transparency, as well as labour and environmental issues.

Despite the flurry of applications from various countries, the US has so far not expressed a public interest in joining the bank, either now or in the near-term. However, comments this week by top Washington officials have shown an apparent shift in tone regarding the country's overall position on the AIIB.

"We have made clear to China that the United States stands ready to welcome new additions to the international development architecture, including the Asian Infrastructure Investment Bank," [said](#) US Treasury Secretary Jack Lew on Tuesday in San Francisco, California, following several days of meetings in Beijing.

However, this welcome is conditional on such new additions "complement[ing] existing international financial institutions and that they share the international community's strong commitment to genuine multilateral decision making and ever-improving lending standards and safeguards."

Governance, implementation questions

One of the main questions posed by both observers of the process, as well as prospective founding members themselves, is how the proposed AIIB will operate in practice.

Part of the push to join before the 31 March deadline was for interested countries to have the chance to participate in the upcoming negotiations on the bank's Articles of Agreement, and thus have a say in its setup, which will be the next stage to complete in the overall establishment process.

Those countries that then sign and ratify these articles will formally become founding members.

For their part, Germany, France, and Italy, [said](#) in a statement announcing their application that they aim to work with their international partners "to establish an institution that follows the best standards and practices in terms of governance, safeguards, debt and procurement policies."

A [joint statement](#) by Australian Prime Minister Tony Abbott, Foreign Affairs Minister Julie Bishop, and Treasurer Joe Hockey, similarly noted that while "good progress has been made on the Bank's design, governance, and transparency over the past few months... we still have issues that we will address through ongoing consultations."

One of these issues, they said, would be ensuring that "no one country control[s] the bank," a concern that other prospective found members have also raised.

Where the proposed bank will fit in the broader system of international financial institutions is another open question.

International Monetary Fund (IMF) Managing Director [Christine Lagarde](#) and World Bank President [Jim Yong Kim](#) have both said in recent months that they welcome the potential opportunities for increased Chinese participation in international investment initiatives and in addressing infrastructure gaps in the developing world, including through the AIIB.

However, the rush of countries to join the China-led organization has also reignited longstanding questions over the current structure of the Bretton Woods institutions, particularly in light of the US Congress' continued failure in approving IMF quota reforms, which are geared toward shifting more power to developing and emerging market countries.

Though the Obama Administration was involved in negotiating such reforms, which were agreed in 2010, they have advanced little within the US legislative branch.

The IMF's policy-setting body, known formally as the International Monetary and Financial Committee (IMFC), warned last year that if US lawmakers did not act before end-2014, the panel would push for the Fund to "develop options for next steps" – a subject that is likely to emerge at the Spring Meetings of the IMF and World Bank later this month. (See Bridges Weekly, [17 April 2014](#))

The difficulty in advancing such reforms in organisations such as the IMF and World Bank that reflect the changing economic order have been widely acknowledged as a potential reason behind China's decision to start the AIIB, as well as the separate launch last year of a development bank backed by the BRICS countries – Brazil, Russia, India, China, and South Africa. (See Bridges Weekly, [17 July 2014](#))

"Simply put, it is not in China's interest to turn its back on the norms developed over the last 70 years that have been critical to China's and America's long-term economic prosperity. And this week's conversations in Beijing confirmed that this is a shared view," Lew said on Tuesday, reiterating past calls for US lawmakers to sign off on the IMF quota reforms.

In a recent address to the China Development Forum in Beijing on 21-23 March, Jin Lique - AIIB's Secretary General of the Multilateral Interim Secretariat – said that the AIIB is meant to complement, not replace, the World Bank and Asian Development Bank, and aims to improve the existing international finance regime, according to comments reported in the [Financial Times](#).

As a premier shareholder of the bank, China will not dominate the decision-making, the AIIB official said, adding that the bank's decision making will be mainly based on consensus rather than voting.

Furthermore, he added, AIIB will have zero tolerance for corruption, and aims to establish an open, transparent and inclusive international institution with the most advanced governance of the 21st century.

ICTSD reporting; "21 Asian countries sign MOU on establishing Asian Infrastructure Investment Bank," XINHUA, 24 October 2014; "Lew Criticizes European Backing of China-Led Development Bank," WALL STREET JOURNAL, 17 March 2015; "South Korea Says It Will Join China-Led Investment Bank," WALL STREET JOURNAL, 26 March 2015; "Taiwan, Norway seek to join China-backed AIIB, Japan still cautious," REUTERS, 31 March 2015.

CLIMATE CHANGE

EU Member States Aim for Carbon Market Reserve Launch in 2021

European member states signed off last week on a mandate to begin negotiating a carbon market stability reserve with EU parliamentarians – including a proposal for a 2021 start date – as part of a broader effort to ensure the long-term sustainability of the 28-nation bloc's flagship emissions trading scheme.

The EU's Emissions Trading System (ETS) was the first multinational scheme for trading permits for greenhouse gas emissions, and covers approximately 45 percent of such emissions.

However, the carbon market that underpins the ETS has struggled with an increasing surplus of these allowances, making it difficult to keep permit prices at levels necessary for sustaining investment in low-carbon technologies and spurring the transition away from more polluting energy sources.

The market stability reserve under discussion – which stems from a January 2014 [proposal](#) from the European Commission – would essentially act as a price buffer for the EU's carbon market, removing surplus emissions allowances from the market based on certain trigger thresholds and placing them into a reserve.

Should there be too few allowances on the market, the reserve would then feed those allowances back into the system. The end result, experts say, would stabilise prices and limit the impact of economic shocks, such as those caused by the recent global financial crisis.

While the 28-nation bloc agreed to a "backloading policy" last year, essentially withholding 900 million allowances from the years 2014-2016 that would be re-introduced in 2019 and 2020, this has been deemed a stopgap measure until a more permanent solution – such as the market stability reserve – could be put in place. (See Bridges Weekly, [16 January 2014](#))

Along with the proposal for a 2021 market reserve launch, how to administer these 900 million "backloaded allowances" was another issue raised by Latvia in its statement on EU member states' behalf, suggesting that these be transferred directly to the reserve.

Another issue for discussion with EU parliamentarians will include how to address the issue of "unallocated allowances," for instance in the case of a power plant closing, which member states suggested should be dealt with by the European Commission as part of the [planned review](#) of the ETS directive post-2020.

Along with operating in the European Union's 28 member states, the EU ETS also covers Iceland, Liechtenstein, and Norway, which together constitute the three European Economic Area-European Free Trade Association (EEA-EFTA) states.

Internal clash over start date

The proposed 2021 start date announced by Latvia last week – in line with the date [proposed](#) by the European Commission over a year ago – sets up a potential clash between

member states and EU parliamentarians, which voted in February for the reserve to begin at the end of 2018. (See Bridges Weekly, [26 February 2015](#))

How those differing suggestions will be reconciled during the upcoming “trilogue” talks between the EU institutions remains to be seen. Initial talks with parliamentarians were scheduled to begin this past Monday, according to a [press release](#) from the Latvian Presidency of the Council of the EU.

Even within the EU's member states, negotiations among officials were reportedly difficult, with some countries – such as Germany and the UK – pushing for an earlier date of 2017, which was reportedly opposed by Poland, a heavily coal-reliant state, among others.

2030 goals in focus

EU heads of state and government agreed last October that a “well-functioning, reformed” ETS with a market stabilising instrument would play a role in helping the bloc meet its emissions reduction targets for 2030.

Under this new “2030 climate and energy framework,” the 28-nation bloc has agreed to reduce its overall greenhouse gas emissions by at least 40 percent below 1990 levels by 2030, among various other related strategies. (See Bridges Weekly, [30 October 2014](#))

Furthermore, the 2030 climate and energy framework also envisages a quicker reduction in the EU ETS allowances “cap,” which limits the overall volume of greenhouse gases that power plants can emit.

The cap is currently reduced at a rate of 1.74 percent annually, but this would need to change to 2.2 percent annually from 2021 in order to meet the planned goal of 43 percent reduction in emissions from fixed installations by 2030, compared to 2005 levels.

Global context

The success or failure of the EU ETS, currently the largest of its kind, has been watched closely by the international climate community, particularly as other countries consider ways to reduce their own emissions – including the possibility of using market-based mechanisms.

The EU is also the largest single market, with its 28 member states together making up nearly a quarter of global GDP. When treated as a single entity – and excluding intra-EU trade – the bloc [also accounts](#) for the largest sum of world merchandise exports and imports, according to WTO figures, surpassing even China.

Some of the other countries with existing schemes are already in talks with the EU to join programmes. One such example is Switzerland, which despite being an EFTA country is not covered by the EU's ETS. The two sides [confirmed](#) last week that they aim to initial a linking deal in the first half of this year.

New country-wide emissions trading schemes are also on the way from other major players. China, for instance, has announced plans to launch its own national carbon market by 2016, which if completed would surpass the EU as the world's largest emissions trading programme. (See Bridges Weekly, [18 September 2014](#))

Conversely, Australia, which launched a highly-publicised carbon tax in July 2012, has since seen that same policy and a planned ETS repealed last July following a change in government. (See Bridges Weekly, [17 July 2014](#))

While Canberra recently announced a public consultation on the island country's post-2020 emissions targets following the release of an "[issues paper](#)" on the subject this past weekend, government officials have [maintained](#) that another carbon pricing policy is out of the question, calling it a job-killer.

On a larger scale, 195 nations are set to meet in Paris, France this December in the hopes of agreeing on a binding global climate deal that would enter into force in 2020, when the current regime under the Kyoto Protocol expires.

Delegates already agreed in February on the text that will form the basis of substantive negotiations for the Paris deal, with the next round of talks slated for June in the German city of Bonn. (See Bridges Weekly, [19 February 2015](#))

Of the many subjects on the table, how to address the role of market mechanisms under the planned climate regime is expected to engender heated debate in the months ahead.

In the interim, UN member states are now in the process of submitting their "intended national determined contributions" (INDCs), which will serve as the building blocks for a final agreement. As Bridges went to press on Thursday, [submitted](#) INDCs included Switzerland, the EU, Norway, Mexico, the US, Gabon, and Russia. Countries in a position to do so had been urged to send in their INDCs by the end of March.

ICTSD reporting; "EU Carbon Fluctuates After Nations Agree to Seek 2021 Fix Start," BLOOMBERG, 26 March 2015; "EU Nations Said Deadlocked Over Carbon-Market Reform Plan," BLOOMBERG, 25 March 2015; "EU struggles to agree on date for carbon market reform," REUTERS, 25 March 2015.

DISPUTES

Peru Appeals WTO Panel Ruling in Agricultural Duties Case

The WTO's highest court is set to hear the case between Peru and Guatemala over the former's duties on certain agricultural imports, after Lima filed a formal notice appealing a previous dispute panel ruling last week.

At issue in the case is Peru's "additional duty" on certain agricultural imports, such as rice, sugar, maize, milk, and certain dairy products. The panel had ruled largely in Guatemala's favour late last year. (See Bridges Weekly, [4 December 2014](#))

In the appeal notice submitted last week, Peru has specifically flagged the panel's finding that Guatemala did not violate "good faith" obligations in launching the dispute, and has also asked the Appellate Body to reconsider whether the duty violates global trade rules.

The dispute ([DS457](#)) was launched nearly two years ago, with Guatemala filing a request for consultations in April 2013. While the panel report was circulated last November, both sides agreed to extend the usual 60-day appeal deadline through 25 March 2015.

[*Editor's Note:* Guatemala has since filed its own notice of "an other appeal," with that document circulated shortly before Bridges went to press this week. A full report on Guatemala's appeal will be available in the next edition of Bridges.]

FTA legal status

This dispute has drawn particular attention for the questions it raises on whether and how commitments under FTAs interact with WTO obligations.

The "additional" duties imposed by Peru on these agricultural imports are determined using a mechanism known as the Price Range System (PRS). This system uses a range set by a price floor and ceiling, reflecting international prices over the last 60 months.

The measure also incorporates a reference price published biweekly, which reflects each product's average international market price. According to that mechanism, an additional duty is applied if the reference price of the affected product is below the floor price. However, if the reference price exceeds the ceiling price, the applicable tariff is reduced.

Under the FTA signed between Peru and Guatemala in 2011, Guatemala City said that Lima could maintain its PRS. This, in Peru's view, meant that the new FTA terms applied and that Guatemala had not acted "in good faith" by then launching a WTO complaint.

The Dispute Settlement Understanding (DSU), which sets the rules for WTO disputes, requires that members exercise judgment over whether filing a dispute would be fruitful before lodging the actual complaint.

However, Peru's argument was rejected by the original panel, which found no evidence that Guatemala brought these proceedings in a manner contrary to good faith.

The panel also found that because the bilateral trade deal had not entered into force, its provisions were not at the time of the panel report binding on the parties, so it was not

necessary for the panel to express any opinion on whether the parties had modified their WTO rights and obligations by means of an FTA.

According to the appeal notice, Peru claims the panel incorrectly interpreted the DSU articles on "good faith" in disputes, namely by assuming that the FTA's legal status was related to the panel's ruling on good faith.

Peru argues that the FTA's status has no bearing on whether Guatemala acted against its good faith obligations and has asked the Appellate Body to review these findings.

Agricultural duties

Regarding the agricultural duties themselves, the panel found in November that these PRS-related duties were border measures similar to a variable import levy, while lacking in transparency and predictability and having the potential to affect import prices.

Therefore, the panel said, Lima's policy has violated Article 4.2 of the WTO's Agreement on Agriculture, which prohibits the use of agriculture-specific non-tariff measures unless these are consistent with other WTO rules applying to goods trade.

Furthermore, the panel agreed with Guatemala's claim that those duties were "other duties or charges imposed on, or in connection with importation" that were not registered in Peru's WTO concessions schedule. Therefore, by imposing these duties, Lima was found to be in violation of its obligations under the General Agreement on Tariffs and Trade's (GATT) Article II:1(b).

The latter half of this provision essentially prohibits new import duties that were either not in place when the GATT entered into force or that were not expected due to the domestic legislation at place at that time.

In Peru's view, the panel erred both in its interpretation of the Agreement on Agriculture's Article 4.2 and Article II:1(b) GATT 1994 by failing to take into account the Peru-Guatemala FTA as "relevant rule of international law" applicable in the relationship between the parties, and as a "subsequent agreement between the parties" as outlined under the [Vienna Convention on the Law of the Treaties](#).

In this respect, Lima has cited Articles 20 and 45 of the International Law Commission Draft articles on Responsibility of States for Internationally Wrongful Acts ([ILC](#)) as "relevant rules of international law," which it claims the panel should have considered in its interpretation of the relevant WTO rules.

Article 20 of ILC refers to one state agreeing to another state's undertaking a given act. That consent then "precludes the wrongfulness of that act in relation to the former state to the extent that the act remains within the limits of that consent." Article 45 addresses the loss of the right to invoke a state's responsibility, when the other "injured state has validly waived the claim," or is considered to have allowed the claim to lapse by the injured state's overall conduct.

Finally, Peru argues that the panel erred in finding that the additional duties constituted a "variable import levy or similar measure" and "other duties or charges" – matters on which it also claims the panel failed to make an objective assessment.

Next steps

The Appellate Body now has 90 days to issue its report. While it can review aspects of law – such as legal interpretation – it generally will not interfere with factual findings.

ICTSD reporting.

POST-2015 DEVELOPMENT AGENDA

UN Post-2015 Talks Focus on Draft Sustainable Development Goals

Divisions on how best to finalise a set of sustainable development goals (SDGs) moved to the fore last week during a New York meeting of delegates charged with hammering out a post-2015 development agenda. Countries reportedly raised questions around possible technical revisions to a list of proposed goals and targets – put forward by a UN group last July – as well as how to craft relevant indicators to measure success.

Following a 2012 UN mandate, the SDGs are slated to form a core part of the post-2015 development agenda and will replace the current Millennium Development Goals (MDGs) when they expire at the end of this year. The new agenda will be adopted by world leaders at a high-level summit at UN headquarters in September.

Delegates also agreed last week to hold a joint session in April with their counterparts negotiating the outcome document for the Third International Conference on Financing for Development (FfD3).

The ongoing FfD talks – which also convene in New York – aim to outline development financing commitments at a high-level conference scheduled for July in Addis Ababa, Ethiopia. However, while UN members have indicated a preference for mutually supportive outcomes in the two negotiations, differences reportedly remain on the nature of the relationship between these frameworks.

Trade and trade-related tools to help foster sustainable development feature in both the proposed SDGs and in the zero draft released earlier this month for the FfD3 outcome. According to experts, the FfD zero draft usefully expands the scope of the trade-related SDG targets by underlining the importance of trade facilitation and regional trade and investment agreements, but does not clearly establish an ambitious agenda commensurate with the ambition of the SDG targets. (See BioRes, [20 March 2015](#))

Technical proofing?

Last week's discussions drew on an unofficial document circulated shortly ahead of the meeting by its co-facilitators – David Donoghue, Permanent Representative of Ireland and Macharia Kamau, Permanent Representative of Kenya – presenting 19 [possible revisions](#) to the targets from the July SDG proposals. (See BioRes, [23 July 2014](#))

Kamau said on Monday that while the complexity of further negotiation on the proposed SDGs was "difficult," some targets would require "tweaking," in order to ensure measurability and to avoid inconsistency with other international commitments. The 19 proposed revisions were geared towards technical clarification, Kamau added.

In some instances, the [SDGs](#) agreed to by the Open Working Group on Sustainable Development Goals (OWG) – as the dedicated UN group was formally known – listed "x%" instead of numbers for some proposed targets.

The co-facilitators' document includes one suggested revision relevant to the proposed trade-related targets. The OWG's health goal mentions the flexibilities provided under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), in relation to providing access to affordable essential medicines in developing countries.

The co-facilitators pointed out that the 2001 [Doha Declaration](#) on TRIPS and Public Health does not limit the use of available TRIPS Agreement flexibilities to just “essential” medicines and therefore proposes dropping this word from the target.

According to Earth Negotiations Bulletin, a clear division emerged last week between countries not willing to revisit the OWG effort, while other players supported adjusting the language of targets as a result of their “technical proofing.”

Those against any revisions argue that doing so would re-open the carefully constructed political balance of the OWG’s proposal, which was secured after nearly 18 months of talks. Some also questioned why those 19 targets had been selected and not others from the overall list of 169.

An intervention from the US, meanwhile, said that some 68 percent of the indicators in the OWG document were in need of further work in order to be actionable.

While a compromise between these positions was not reached by Friday, Donoghue proposed circulating an updated list of proposed target revisions to member states, with more detail on the rationale for each suggested amendment.

Some member states in the closing session continued to push for more information on the modalities for “filling in the xs.” Donoghue reportedly said that it was too early to decide on criteria for these but that the new document would reflect the week’s discussions.

Measuring success

A proposed timeframe and process for developing a set of indicators for the SDGs was also in the spotlight during last week’s negotiations. The UN Statistical Commission (UNSC), which brings together chief statisticians from member states, presented the outcome of its latest meeting to delegates at the start of the week.

The UNSC on that occasion endorsed a roadmap suggesting that an SDG indicator framework should be adopted by next March and a refined indicator framework will be put forward by a new interagency expert group in July. The UNSC also endorsed the creation of a high-level group to provide strategic guidance for SDG implementation.

Post-2015 negotiators were also presented with a [technical report](#) from the UNSC bureau outlining 304 indicators for the current proposed SDG targets and rating these from “A-C” according to their feasibility, suitability, and relevance. Some 16 percent were given an A – the best ranking – across each of the three criteria while 31 percent were considered difficult to implement even with strong effort.

The UNSC technical report includes several suggestions for indicators to measure progress towards the proposed SDG trade-related targets. However, none of these are awarded the “AAA” ranking of feasibility, suitability, and relevance, and only some are considered easier to implement than others.

For example, an indicator for the target of significantly increasing developing country exports and doubling poor countries’ share of world exports by 2020 is deemed feasible with strong effort. The suggested indicator would monitor the evolution of developing countries’ exports of high-technology content, labour-intensive exports, and export diversification.

On the other hand, two indicators to measure efforts to promote a universal, rules-based, and non-discriminatory multilateral trade system under the WTO, including the conclusion of the current Doha Round trade talks, is deemed difficult to implement. The

two suggested indicators would measure the number of potentially trade-restrictive measures adopted by WTO members and worldwide weighted tariff averages.

Proposed indicators for targets geared towards correcting trade restrictions and distortions in world agricultural markets, prohibiting certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and increasing aid for trade support for developing countries are also labelled difficult.

While the UNSC indicated that it planned to finish its work on indicators by next March, some delegates urged it to proceed more quickly, in order to deliver a set of indicators for the post-2015 summit scheduled for September. Opinion was also divided on how much control member states should have over the final list of indicators. Donoghue said on Friday that the UNSC will brief post-2015 negotiators again in May on the progress made on the indicator framework.

Next steps

Four remaining sessions are on the calendar for UN members to reach agreement on the technical details discussed last week. Delegates will meet again from 21-24 April in a joint session with FfD negotiators.

That session will focus on any outstanding issues on the means of implementation, or the means to achieve the goals and targets, not covered under the FfD track. Delegates will look at how to build coherence between the two processes and discuss a possible technology facilitation mechanism.

Meetings with representatives from the Bretton Woods institutions is also on the docket for the April post-2015 session. A second drafting session for the FfD3 outcome document is scheduled for 13-17 April.

More information

ICTSD, the publisher of Bridges, recently held in Geneva, Switzerland a dialogue on the post-2015 discussions, with a focus on the trade elements in the SDG and FfD discussion documents. The webcast of the event is available [here](#).

ICTSD reporting; "Summary of the Third Session of Intergovernmental negotiations on the Post-2015 Development Agenda: 23-27 March 2015," EARTH NEGOTIATIONS BULLETIN, IISD REPORTING SERVICES, 30 March 2015.

EVENTS & RESOURCES

Events

Coming Soon

8-9 April, Washington, US. **ADVANCING NATURAL CAPITAL ACCOUNTING IN GOVERNMENT, BUSINESS AND FINANCE: THEORY, PRACTICE AND ENABLING CONDITIONS.** This meeting is being coordinated by a task force consisting of Globe International, the International Union for Conservation of Nature (IUCN), Natural Capital Coalition, National Capital Declaration, The Economics of Ecosystems and Biodiversity (TEEB), the UN Environment Programme (UNEP), and the World Bank Group. At the event, experts from the public sector, academia, governments, private companies, and international organisations will debate the necessary steps to take in order to create an environment which will foster the adoption of natural capital accounting (NCA) by government, business, and finance. The event aims to reach a consensus on how to incentivise the uptake of NCA through the implementation of various policies. For more information about this event, please visit this [website](#).

8-10 April, Incheon, South Korea. **DCF SYMPOSIUM ON DEVELOPMENT COOPERATION FOR PEOPLE AND PLANET: WHAT WILL IT TAKE?** The Development Cooperation Forum (DCF) symposium will be hosted by the South Korean government in coordination with the UN Department of Economic and Social Affairs (UNDESA) and ahead of the Third International Conference on Financing for Development in Addis Ababa, Ethiopia in July and Post-2015 Summit in New York in September. Participants will discuss the need for development cooperation in implementing the planned post-2015 development agenda at the global, regional, national, and subnational levels. The Symposium will draw on successful practices and policies from the Monterrey and Rio development financing processes to use in supporting countries in taking an integrated approach for more lasting development results. For more information, please visit the event [website](#).

8-12 April, Seoul, South Korea. **ICLEI WORLD CONGRESS 2015.** The 2015 ICLEI (Local Governments for Sustainability) World Congress will convene under the theme of "Sustainable Solutions for an Urban Future" and will build off ICLEI's 8 Agendas, which were adopted at the ICLEI World Congress of 2012. The discussion will focus on determining sustainable solutions for cities individually and at the region-wide level, using past experiences and innovative thinking with an emphasis on the role of local governments in achieving global sustainability goals. For more information about the event, please visit this [website](#).

9-11 April, Bath, UK. **SECOND ENVIRONMENTAL PROTECTION AND SUSTAINABILITY FORUM: TOWARDS GLOBAL AGREEMENTS ON ENVIRONMENTAL PROTECTION AND SUSTAINABILITY.** The Department of Economics and the Institute for Policy Research at the University of Bath will host this three-day forum as an opportunity for stakeholders to discuss the most recent academic research on international environmental agreements according to insights gathered by key policy-makers and practitioners in the field. The conference aims to connect researchers with those who design and carry out policies, as well as with those affected by such policies. Among other topics, participants will explore the roles of research and development, international and domestic law, and institutions in shaping international environmental agreements. For more information about this event, please visit this [website](#).

WTO Events

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

16 April: Committee on Trade-Related Investment Measures

21 + 23 April: Trade Policy Review Body – Australia

21 April: Committee on Import Licensing

22 April: Dispute Settlement Body

Other Upcoming Events

12-13 April, Washington, US. 2015 GLOBAL PARLIAMENTARY CONFERENCE. This year's Annual Parliamentary Conference, organised by the World Bank Group and the International Monetary Fund (IMF), will bring together over 150 Network parliamentarians, leaders from civil society, and top officials of international financial institutions. The meeting will focus primarily on the role that parliamentarians play in shaping new frameworks for development through their leadership in legislation and reform initiatives. Participants will concentrate on their role within three main contexts: supporting shared prosperity and eradicating poverty, ensuring government transparency, and promoting gender equity. For more information on this event, please visit this [website](#).

13-14 April, Geneva, Switzerland. GLOBAL COMMODITIES FORUM. The Global Commodities Forum, organised by the United Nations Conference on Trade and Development and various partners, will convene on the theme of "Trade in commodities: Challenges and Opportunities." The meeting will allow major stakeholders to discuss potential solutions to challenges facing the commodity economy in the past year, with a specific focus on the fall in oil prices. Participants will deliberate over the implications of recent economic shifts on resource-rich developing countries while also looking at the potential development implications of the current state of commodities markets and trade policy. For more information about the event, please visit this [website](#).

14-16 April, Geneva, Switzerland. 66TH SESSION OF THE UN ECONOMIC COMMISSION FOR EUROPE: COMMITTING TO ACTION ON SUSTAINABLE DEVELOPMENT IN TIMES OF CHANGE. The 66th session of the UN Economic Commission for Europe (ECE) will discuss ways to transform the proposed Sustainable Development Goals (SDGs) into clear standards and regulations with a system for accountability and monitoring of development so as to assist countries in achieving these goals at the regional level. This session, which will serve as the Regional Forum for Sustainable Development, will provide insight for the 2015 high-level political forum on sustainable development (HLPF) to be held in June. For more information about this event, please visit this [website](#).

17 April, Geneva, Switzerland. THE EVOLVING LANDSCAPE OF CLEAN ENERGY GOVERNANCE: IMPLICATIONS FOR INTERNATIONAL TRADE. This event, organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the Energy Charter Secretariat, will discuss the changing energy governance landscape, particularly in light of the expected adoption of the International Energy Charter in May and the discussions among a set of WTO members for an Environmental Goods Agreement (EGA). To learn more about this policy dialogue, please visit the ICTSD [website](#).

20 April, online. SUSTAINABLE URBAN MOBILITY IN DEVELOPING COUNTRIES 2015. This twelve-week online course will be held by the United Nations Institute for Training and Research (UNITAR) in partnership with the German Agency for International Cooperation (GIZ) and is geared towards urban and transportation planners, local policymakers, and international organisation leaders involved in the transport sector. The objective of the course is to enable decision makers and urban and transportation planners to design and implement policies that advance sustainability in urban transport in developing countries. For more information about the course, please visit this [website](#).

8-9 May, Martinique. ISLAND ENERGY TRANSITIONS: PATHWAYS FOR ACCELERATED UPTAKE OF RENEWABLES. The International Renewable Energy Agency (IRENA) and the French government, in cooperation with the regional government of Martinique, have organised a meeting on advancing the usage of renewables on islands. The forum will focus on topics such as investment potential for renewable resources, the reduction of electricity costs using waste-to-energy systems, and the implementation of renewable-based desalination, which transforms sea water into fresh, usable water. The meeting will also look at the challenges, including high installation costs and small market size, faced by islands in their efforts to transition to renewable energy. For more information about this event, please visit this [website](#).

20-21 May, The Hague, The Netherlands. INTERNATIONAL ENERGY CHARTER MINISTERIAL. During this two-day event, those delegations that are authorised to approve/sign the International Energy Charter will do so during this ministerial conference. This document serves as a declaration of political intent, with the goal of improving energy cooperation among those who have signed it. The charter was negotiated among approximately 80 states throughout 2014. To learn more about this event, please visit the International Energy Charter's [website](#).

30 June – 2 July, Geneva, Switzerland. FIFTH GLOBAL REVIEW OF AID FOR TRADE: REDUCING TRADE COSTS FOR INCLUSIVE, SUSTAINABLE GROWTH. This event, hosted at WTO headquarters, will focus on the various actions underway to reduce trade costs, at levels ranging from the national, bilateral, regional, and multilateral, as well as the private sector and non-governmental. Participants will be asked to consider which actors are involved in what; how the issue of trade costs is being addressed by national governments and regional organisations in their planning; and whether sufficient progress has been made, and if not, how to improve it. To learn more, visit the WTO [website](#).

24-28 August, The Hague, Netherlands. SUMMER PROGRAMME ON INTERNATIONAL AND EUROPEAN ENVIRONMENTAL LAW. Organised by the T.M.C. Asser Instituut in cooperation with the European Environmental Law (EEL) Network and The Hague Environmental Law Facility (HELF), the second Summer Programme on International and European Environmental Law consists of a five-day programme of interactive lectures and a study visit to the International Court of Justice. This year's programme aims to enhance practical knowledge about climate change in the context of the legal aspects regarding sustainable energy, the current state of sustainable finance, the role of trade agreements in promoting sustainability, and other related topics. For more information about the programme, please visit this [website](#).

Resources

ARGENTINA'S AGRICULTURAL TRADE POLICY AND SUSTAINABLE DEVELOPMENT. By Marcelo Regúnaga and Agustín Tejeda Rodríguez for the International Centre for Trade and Sustainable Development (ICTSD) (March 2015). This study examines the role of Argentina's farm trade policies in contributing to economic, social, and environmental objectives such as those regarding food security, poverty reduction, environmental sustainability, and climate change. In order to better align Argentina's agro-industrial sector with sustainable growth and world food security, the report advises that Buenos Aires implement agricultural policies geared towards catalysing growth in production and exports, boosting investment and technological innovation, and promoting the sustainable management of natural resources. The entire paper can be accessed [here](#).

TRADE IN THE POST-2015 AGENDA: BUILDING COHERENCE. Published by the International Centre for Trade and Sustainable Development (ICTSD) (March 2015). Last month, ICTSD hosted this dialogue with the aim of providing an update on the progress to date in the post-2015 development agenda discussions. Experts presented their views on the internal coherence of trade elements in the Sustainable Development Goals (SDGs) and Financing for Development (FfD) documents currently being negotiated, along with these elements' external coherence with the realities of the global trade system. The full webcast video of this event is available at the following [link](#).

INFORMATION ECONOMY REPORT 2015: UNLOCKING THE POTENTIAL OF E-COMMERCE FOR DEVELOPING COUNTRIES. Published by the United Nations Conference on Trade and Development (UNCTAD) (March 2015). The Information Economy Report 2015 showcases the potential for electronic commerce (e-commerce) to advance economic growth and sustainable development, particularly in developing regions. The publication evaluates the opportunities and challenges faced by entrepreneurs and firms in developing countries that want to make use of e-commerce and goes on to provide relevant policy recommendations to unlock potential benefits. The entire report can be accessed [here](#).

DEBT SUSTAINABILITY AND ECONOMIC CONVERGENCE OF EURO AREA MEMBER STATES: CHALLENGES AND SOLUTIONS. By Paolo Mauro for the Peterson Institute for International Economics (PIIE) (February 2015). This briefing sets forth policy recommendations aimed at facilitating economic convergence among Eurozone member states and promoting debt sustainability at a time when government debt-to-GDP ratios are relatively high. The paper advises European policymakers to take note of the differing rates of economic growth currently experienced across EU member states and implement short, medium, and longer term policies to improve the region's overall fiscal situation and promote new growth. The entire publication can be downloaded [here](#).

NON-TARIFF MEASURES AND REGIONAL INTEGRATION IN THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY. Published by the United Nations Conference on Trade and Development (UNCTAD) with the support of the Government of Germany (March 2015). This publication examines the role played by non-tariff measures (NTM) policies in the Southern African Development Community (SADC) by looking at the legal setup of and challenges in implementing SADC agreements relative to NTMs. The findings suggest that "deep" NTM-related integration in SADC may lead to increases in welfare and employment for its member states. The full report can be accessed [here](#).

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