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WASHINGTON

US House of Representatives Gears Up for Trade Skirmish

The US House of Representatives resumed session this week, with lawmakers soon expected to take up controversial legislation that would grant President Barack Obama with renewed "fast track" trade powers.

The legislation, known as Trade Promotion Authority (TPA), was already approved in the Senate late last month by a 62-37 vote margin, after a bruising fight among lawmakers on issues ranging from the overall merits of international trade deals to how to deal with alleged currency manipulation by other countries. (See Bridges Weekly, [28 May 2015](#))

The draft TPA legislation sets out Washington's principal negotiating objectives in trade deals, while allowing for completed agreements to be submitted to Congress for a straight up-or-down vote without the possibility of amendment. The previous version of TPA was enacted in 2002 and expired in 2007.

McCarthy confirms plans for June vote

House Majority Leader Kevin McCarthy, a Republican from the state of California, confirmed this week his plans to bring the TPA legislation to the floor for a vote in June. The majority leader, among other tasks, schedules legislation for floor consideration in the House.

"It's my intent to get that done this month," the lawmaker said, according to congressional newspaper The Hill. However, no formal date for the vote has been announced.

The upcoming fight in the House, however, is widely expected to be more difficult than in the Senate. To pass TPA in the House, 217 votes in favour are required. That chamber usually requires a 218 vote majority of its 435 members, but has two seats currently vacant.

Though Republicans hold 245 seats in the House compared to Democrats' 188, winning over the necessary Democratic votes has become crucial for TPA proponents in recent weeks, as not all Republicans are expected to back the trade legislation. Some of the more conservative legislators have said that they are against giving any powers to Obama, making it unclear whether they will vote in the trade bill's favour.

Paul Ryan, the Wisconsin Republican who chairs the House Ways and Means Committee, has attempted to dispel some of those concerns, telling fellow House Republicans in a recent ["Dear Colleague" letter](#) that free trade should be a uniting principle for the party, especially in comparison to the divisions among Democrats on the subject.

"I'm proud that so many of you are ready to support TPA and all that it represents. I know some say you don't trust the president. That's exactly why we need this TPA," Ryan said in the letter. "It provides unprecedented accountability and transparency. It empowers you, not him. And it gives us our best opportunity to advance fair, effective trade agreements over the next six years."

The Wisconsin lawmaker was referring to the provision in TPA that would allow the legislation to be extended from three years – to mid-2018 – to six years upon the President's request, so long as neither chamber of Congress passes a disapproval resolution. That would leave TPA in place until 2021, well into the next Administration, with Obama due to leave the White House in January 2017.

Ryan warns against different versions

Over the past few weeks, Ryan has also been pushing strongly against any amendments that would cause the version of TPA passed by the House to differ from that approved by the Senate. The fight over amendments in the Senate had threatened to derail the trade bill in that chamber, given the disagreements over how to address issues ranging from currency manipulation to the Export-Import Bank reauthorisation, among others.

Should the two versions of the legislation prove different, the House and Senate would then need to "conference" the bill, essentially negotiating final language that would then have to be voted upon once more by both chambers before going to the president's desk – a scenario Ryan aims to avoid.

"If we go to conference, that would kill TPA," Ryan said this week, according to comments reported by the New York Times.

The House is expected to vote on TPA and Trade Adjustment Assistance (TAA) separately. The two bills were approved jointly in the Senate, partly as a way of bringing more Senate Democrats on board. The latter is a programme aimed at providing support to domestic workers displaced by trade.

Separating the bills in the House is reportedly aimed at making it easier to pass TPA, as many conservative Republicans are against the TAA scheme. However, both bills, if passed, would then be combined later on to ensure they match the Senate legislation.

Levin: TPP first, then TPA

Unlike in the Senate, where the chair and ranking member of the Finance Committee were able to reach a compromise to push the trade legislation through, Ryan does not have the support of his committee's ranking member.

The top Democrat on the Ways and Means Committee, Sander Levin of Michigan, has instead been vocal in his opposition to advancing TPA without first seeing various concerns addressed in the ongoing Trans-Pacific Partnership (TPP) trade negotiations.

Those talks, which aim to establish a 12-country deal spanning various Pacific Rim countries, is said to be in the "endgame," but has struggled to cross the finish line given the lack of clarity on TPA's fate.

"The debate is not about being for TPP, or against TPP. I am for the right TPP and that is why I want Congress to be in a position to press US negotiators to secure a better

outcome," Levin [said](#) on Monday, outlining a series of TPP areas that he suggests are problematic in their current form.

The Michigan Democrat suggested that the "best course" for US lawmakers is not to approve fast track "until we know that TPP is on a better course," warning that approval of Trade Promotion Authority now would mean a significant loss in congressional leverage.

Lobby groups square off

The impending House vote has sparked fierce competition among lobby groups in Washington, in an effort to influence undecided lawmakers in one direction or another. Reports have emerged of massive letter, phone, and e-mail campaigns, as well as protests by some groups in key congressional districts.

Labour unions such as the AFL-CIO, which is the dominant federation of US unions, have said that the trade deal could hurt American workers, lobbying intensely against both [TPA](#) and [TPP](#).

Meanwhile, business organisations, such as the US Chamber of Commerce, have been among those [pushing](#) strongly for TPA approval, citing its importance for "levelling the playing field" for American businesses.

"By coming together to pass TPA, a bipartisan majority in the Senate clearly demonstrated confidence in the ability of American workers and farmers to compete and win in world markets – if the playing field is level," [said](#) US Chamber of Commerce President and CEO Thomas Donohue last month, urging House lawmakers to do the same.

ICTSD reporting; "Obama's Trade Deal Faces Bipartisan Peril in the House," THE NEW YORK TIMES, 31 May 2015; "House trade vote will be tight, like in 2001," POLITICO, 31 May 2015; "Obama Trade Bill Seen Gaining Enough Support for Final Passage," BLOOMBERG, 28 May 2015; "McCarthy plans vote on trade 'this month'," THE HILL, 1 June 2015.

PREFERENTIAL AGREEMENTS

EU Parliament Ctte Approves Draft TTIP Recommendations

Members of the European Parliament's international trade committee (INTA) signed off last week on a series of draft recommendations for what it would like to see in a planned trade deal with the US, including a highly-anticipated position on the investment protection component of the talks.

While the recommendations approved by the committee on 28 May are not binding, it does give an indication of what EU parliamentarians could potentially deem acceptable in a final trade deal. The 751-member chamber will need to approve the terms of the agreement – known as the Transatlantic Trade and Investment Partnership (TTIP) – when one is reached, with lawmakers stating repeatedly that their input must be taken into account for them to consider a final EU-US trade pact.

Furthermore, the recommendations agreed in the INTA committee last week still need the approval of the full European Parliament. That vote is currently set for next week, with amendments to the recommendations possible during the plenary process.

Two years in

The TTIP agreement at issue is now entering its third year of negotiations. The deal, which [some estimates](#) predict could add over €200 billion to the economies of the US and EU, has also fuelled controversy on both sides of the Atlantic, bringing to the fore long-standing differences in their regulatory approaches, among other areas.

Amid reports that the negotiations have been lagging, TTIP officials have deemed this year an opportunity to give a "fresh start" to the talks. The most recent negotiating round was held in April, with the next meeting scheduled for July. A joint political review is then expected to be held after the summer, and officials have said they aim to make as much substantial progress as possible in 2015, while now acknowledging that the talks will likely go into 2016. (See Bridges Weekly, [30 April 2015](#))

Given the slow pace of the talks, various analysts have noted that the Parliament's stance on TTIP could help spur the negotiations forward. A similar process is underway in Washington, with Congressional lawmakers in the process of debating legislation that sets the US' negotiating objectives in trade deals, while also setting the terms for how the US legislature approves such agreements. (For more on the Washington discussions, see related story, this edition)

ISDS

The talks on investor protections and ISDS within the TTIP context have been suspended for nearly 18 months, a decision made by Brussels in order for the 28-nation EU to hold a public consultation on these provisions and how they could be improved. (See Bridges Weekly, [23 January 2014](#))

The results of those public consultations were released earlier this year, and last month EU Trade Commissioner Cecilia Malmström presented to the INTA committee a concept paper that outlined a series of suggested reforms to the investor-state dispute settlement

(ISDS) mechanism which, she said, aimed to take into account the feedback received. (See Bridges Weekly, [15 January 2015](#) and [7 May 2015](#), respectively)

These suggestions included, among others, a call to create in the medium-term a permanent multilateral court and appellate mechanism to arbitrate investment disputes, as well as outlining reforms in the areas of the right to regulate; improving the establishment and functioning of arbitral tribunals; including an appellate mechanism in TTIP; and addressing the relationship between ISDS and domestic courts.

INTA members said last week that the investment protection provisions of TTIP should be based on Malmström's paper, together with the results of ongoing talks with EU trade ministers. The approved amendment was reportedly a compromise reached between the Socialists & Democrats and the European People's Party, the two largest [groups](#) in the Parliament.

"This resolution is the beginning of the end for ISDS, a development which is long overdue," [said](#) Bernd Lange, a member of the Socialists and Democrats (S&D) group who chairs the INTA committee.

"We have pushed very hard for this resolution to come to life, to send the strong message that the S&D Group and the European Parliament as a whole will not simply accept any deal they are presented with. On the contrary, we have clear cut demands and red lines when it comes to the content of the agreement which are laid out in this resolution," Lange added.

The ISDS resolution has drawn criticism from both consumer and environmental groups, with Transport & Environment, a Brussels-based coalition, suggesting that including ISDS would indicate a lack of trust in European judicial system.

"Not only do they not trust our courts, they are also willing to have Europeans pay for the private risks of big business, and tie the hands of future EU lawmakers by providing an implicit deterrent to public interest regulation," [said](#) Cécile Toubreau, a sustainable trade officer for the group.

Business groups such as BUSINESSEUROPE, for their part, have welcomed the result of the vote on the draft INTA report, with Director-General Markus Breyer [remarking](#) that "we have come a long way and positive dynamics are back."

Breyer added that, while BUSINESSEUROPE is "are glad to see investors' rights are acknowledged, however we need to make sure efficient instruments to enforce them are put in place."

Tariff elimination, with sensitivities

The TTIP talks involve three areas where the two sides are aiming to improve market access: tariffs, services, and government procurement. To date, the two sides have exchanged one set of offers on goods tariffs, which are still under discussion, and are preparing to exchange revised offers on services ahead of the July round.

While welcoming the effort at full tariff elimination, INTA parliamentarians indicated that they would like to see an "exhaustive list" to address sensitivities in agricultural and industrial goods to either face longer transitional periods or be exempt from liberalisation entirely.

Other recommendations by the committee's lawmakers involved the inclusion of a "safeguard clause" for temporarily restricting entry of specific food products in the case of an increase in imports that could hurt domestic production, as well as asking that for strong protection of the EU's geographical indications (GI) system.

GIs are used to denominate products with a specific geographical origin and which possess qualities, reputation, or characteristics that are essentially attributable to that same place, with common examples including Feta cheese or Parma ham.

Energy chapter

Another unresolved issue in the TTIP negotiations will be how exactly to deal with the issue of energy. While the EU has been pushing for a dedicated energy chapter in the agreement text, the US has indicated that these provisions could also be dealt with across other chapters.

INTA parliamentarians last week called for including an energy chapter, as well as the abolishment on any "existing restrictions or impediments" on fuel exports, such as crude oil and liquefied natural gas (LNG).

EU Trade Commissioner Cecilia Malmstrom reaffirmed on Wednesday that this is indeed one of the objectives being pursued by Brussels in the negotiations.

"Today, US gas exports are subject to cumbersome licencing procedures and oil exports are essentially banned. These limits can be removed in the agreement. To do this, the EU believes that TTIP should include a legally binding commitment by both sides not to restrict exports of oil and gas to the other partner," the EU trade chief [said](#) at a conference on TTIP organised by the Alliance for Liberals and Democrats in Europe (ALDE) group in the European Parliament.

ICTSD reporting; "MEPs give passing vote to TTIP," EURACTIV, 29 May 2015; "TTIP wins key panel vote," POLITICO, 29 May 2015.

PREFERENTIAL AGREEMENTS

EU, Japan Leaders Pledge to Speed Up Trade Talks

Leaders from the EU and Japan agreed last week at a Tokyo summit to speed up the pace of their bilateral trade negotiations, which have been underway since 2013. The push to advance the discussions comes as both trading partners are also working to advance other "mega-regional" trade talks, namely the Transatlantic Trade and Investment Partnership (TTIP) and Trans-Pacific Partnership (TPP).

The trade deal, referred to as both an Economic Partnership Agreement (EPA) and Free Trade Agreement (FTA), is being negotiated in parallel with a Strategic Partnership Agreement (SPA) between the two sides. Both were key topics during the 29 May meeting, which saw the EU represented by Commission President Jean-Claude Juncker and Council President Donald Tusk. Japan was represented by Prime Minister Shinzo Abe.

"The SPA and EPA/ FTA hold the potential to lift our relations to a new strategic level," leaders said in a [joint press statement](#) following the meeting, highlighting the importance of reaching a "highly comprehensive and ambitious" trade deal.

This deal, they added, should particularly focus on areas such as goods, services, and investment market access; government procurement, with the inclusion of railways; non-tariff measures; and intellectual property issues, including the protection of geographical indications.

"To this end we have entrusted our negotiators with the mandate to settle the outstanding differences with a view to reaching agreement encompassing all the key issues preferably by the end of 2015," they affirmed.

While Abe has been pushing for a deal reached by year's end, EU officials have suggested that the talks could go on into next year if the substance requires it.

"I strongly believe in the necessity to have a free trade agreement with Japan being concluded as soon as possible, possibly by the end of this year. If not, in the first months of 2016," [said](#) Juncker following the meetings in Tokyo.

Along those lines, the EU Commission chief said, a five-point "Action Plan" has been submitted to Abe on ways to move forward in the negotiations.

Malmström outlines key areas for EU

EU Trade Commissioner Cecilia Malmström, who was also in Tokyo for meetings with various Japanese ministers, including Foreign Affairs Minister Fumio Kishida and Minister of Economy, Trade, and Industry Yoichi Miyazawa, outlined in a speech what Brussels currently envisions as an "ambitious" trade deal.

"We believe that if this deal is worth doing, it's worth doing right. We have to be ambitious on the substance as well as on the timing," she [said](#) at Keidanren, the [Japan Business Federation](#).

An ambitious deal, she said, would specifically involve outcomes in tariffs, investment, public procurement, and regulatory compatibility.

For example, on tariffs, the two sides should aim for elimination, including in areas such as food, agriculture, and cars, while respecting “core sensitivities.” On public procurement, she noted that the two sides have already reached a deal on “non-discriminatory and transparent access to procurement” by Japan’s top railway companies, suggesting that similar ambition across all public tenders at both city and central government levels is an EU goal.

Regulatory compatibility, for its part, “is essential” for ensuring major gains from trade, with the EU trade chief qualifying that cooperation in this area will not entail undermining consumer and environmental protections. Meanwhile, an improved investment climate is necessary for boosting investment flows.

Two years in

The launch of the talks was announced in March 2013, with the first round of negotiations held the following month. To date, ten negotiating rounds have been held on the proposed agreement, with the latest one being convened in April and the next one [expected](#) in July. (See Bridges Weekly, [27 March 2013](#))

The European Commission then conducted a review of the talks in 2014 in order to determine whether sufficient progress had been made in non-tariff barriers, railways, and urban roadmaps, a requirement under the mandate given to EU negotiators by the bloc’s trade ministers.

The directives approved by the European Council’s trade ministers in late 2012 – prior to the launch of the negotiations – also required that Japan’s non-tariff barriers be eliminated in parallel to any tariff reductions on the EU side.

TPP, TTIP in the background

The two trading partners combined make up over a third of global GDP, according to EU [data](#). Japan is the EU’s second largest trading partner in Asia, preceded only by China, with goods trade between the two sides being dominated by products such as motor vehicles, electrical machinery, optical and medical instruments, chemicals, and pharmaceuticals.

The push for a bilateral trade pact comes as both Tokyo and Brussels pursue various avenues for boosting trade, and in turn their growth and jobs prospects, with other key partners. For example, the EU is working to advance talks for the planned TTIP deal with the US, while Japan is one of the 12 countries involved in the TPP.

The former is not expected to be completed until 2016 at the earliest. The latter, for its part, could be finished in the coming months, depending partly on whether Washington lawmakers sign off on major trade legislation. (For more on the US process, see related story, this issue)

ICTSD reporting; “Japan-European Union Summit to Discuss Stalled Free Trade Deal,” AGENCE FRANCE PRESSE, 29 May 2015; “Japan, EU agree to speed up talks on trade deal,” AGENCE FRANCE PRESSE, 29 May 2015.

WORLD TRADE ORGANIZATION

WTO's Azevêdo Warns of Slow Progress in Doha Talks as July Deadline Approaches

Talks aimed at crafting a work programme for resolving the outstanding areas of the WTO's Doha Round are still not reaching the "necessary convergence" in order to meet an end-July deadline, Director-General Roberto Azevêdo warned the global trade body's members this week.

"We are still seeing good engagement — and this is positive. We have been having detailed conversations across a range of issues, and in some areas we are seeing progress," the WTO chief told heads of delegation at an informal meeting convened on Monday at the organisation's Geneva headquarters.

"However, on the basis of the discussions I have had over recent weeks, I am becoming increasingly concerned that we are not making the progress that is needed in the key areas of agriculture, industrial products, and services," he said, referring to the topics that are widely held as core issues in the Doha talks.

In an effort to speed up the difficult negotiations, Azevêdo has pledged to hold meetings of the organisation's full membership over the weeks ahead, citing the importance of such discussions for making the "necessary political calls" in the future.

As those talks continue, trade watchers will also be focusing on some upcoming ministerial-level meetings, including one in Paris on 4 June, to see if those talks yield additional clarity at the political level on possible next steps for the Doha Round negotiations.

Eyes on agriculture

Sources familiar with the talks say that differences on agriculture continue to divide delegations in Geneva, and have contributed to slowing the negotiations in other areas.

One of the key rows in the farm trade talks involves domestic agricultural support. The US has argued repeatedly in recent months that large developing countries such as China and India should undertake steeper cuts in their farm subsidy spending than are currently foreseen in the most recent draft text for the WTO's Doha Round negotiations. Those countries, in turn, have countered that the draft deal from 2008 should still serve as the basis for the talks. (See Bridges Weekly, [23 April 2015](#))

The Committee on Agriculture, which is the regular body tasked with the implementation of the organisation's existing farm trade rules, is set to meet today in Geneva. While this committee does not deal with the Doha negotiations, which falls instead under the "Special Session," one of the topics that will likely be high on the agenda is China's latest notification of domestic agricultural support, which was submitted to the WTO in early May. The notification has already drawn a series of questions in advance of the meeting, particularly from the US, EU, Japan, and Canada. (See Bridges Weekly, [13 May 2015](#))

Another area in the farm trade talks that has proved contentious is the debate over whether to include a special safeguard mechanism (SSM), a tool that would allow developing countries to temporarily lift tariffs in cases of import surges or lower prices.

Members have been at odds with whether such a mechanism is necessary in a potentially scaled down Doha deal, sources say.

Sources say that the difficulties seen in the farm trade talks are holding up other negotiating areas, including key topics such as industrial goods. A transparency meeting of the negotiating group for non-agricultural market access (NAMA) that was also held on Monday saw Swiss Ambassador Remigi Winzap, who chairs the talks, report no change in the situation of recent weeks.

Though some suggestions have reportedly been put forward, none have been tabled as concrete new proposals with the exception of the Argentina request-offer paper submitted earlier this year. Some of the ideas that have reportedly been raised so far during the consultations involve variations to the "Swiss formula" from the 2008 NAMA draft text and its coefficients, sources say.

Some members are still reportedly hesitant to fully engage in the NAMA talks until it becomes clearer how the agriculture talks will be treated. The chair, while noting that the level of ambition in agriculture will set that of the industrial goods talks, urged members to keep working and consider new ideas.

"Yes, agriculture has not evolved, but it doesn't mean that nothing is happening anywhere else. The overall result needs to be balanced," Winzap said.

OECD meetings

This week will see the annual meeting of trade ministers, held on the sidelines of the Organisation for Economic Co-operation's (OECD) ministerial in Paris, France, which some sources say could provide additional clarity on the situation.

The Paris event is a staple of the international trade calendar, partly given its potential to give political signals for the Doha talks. This year's meeting is being [co-chaired](#) by Australian Trade Minister Andrew Robb and Kenyan Cabinet Secretary for Foreign Affairs Amina Mohamed, who will also be chairing the upcoming WTO ministerial conference in Nairobi this December.

A 23-24 May meeting of trade ministers from the Asia-Pacific Economic Cooperation (APEC) countries in the Philippines saw the officials [voice their support](#) for the work programme discussions, welcoming the effort to agree such a plan by end-July "as a key stepping-stone to promptly concluding the Doha Round."

"We strongly commit to prioritise and contribute positively to the formulation of a clearly defined work programme," they added, while also pledging that all 21 APEC economies will have submitted their instruments of acceptance of the Trade Facilitation Agreement by the WTO's December ministerial conference, and urging the rest of the global trade body's membership to do the same.

ICTSD reporting.

CLIMATE CHANGE

UN Talks Target Streamlined Text for New Climate Change Pact

Talks on a planned universal climate deal kicked off in Bonn, Germany on Monday, with delegates from just under 200 nations working on slimming down a sprawling draft text spanning nearly 90 pages, the result of a February negotiating session. The main sections of the text cover, among others, topics such as emissions mitigation, climate adaptation, finance, and technology development.

The new climate deal is due to be agreed at this year's UN Framework Convention on Climate Change's (UNFCCC) annual meet in Paris, France this December, and will come into effect at the end of the decade. It will at that point replace the current Kyoto Protocol, which only requires developed country parties to undertake emissions reductions.

Bonn ambitions

As outlined by the co-chairs of these talks, Daniel Reifsnyder of the US and Ahmed Djoghlaif of Algeria, the 1-11 June session should result in a shorter, more manageable negotiating document than the [current version](#), as well as an outline of a draft decision that would likely adopt the planned Paris agreement.

According to officials in Bonn, this will require delegates to start the process of bargaining over various proposals and paragraphs in the current draft text, as well as making progress on the legal structure of the final deal.

Negotiators might also need to start determining the key political and systemic issues that will require ministerial-level discussion in the coming months. In a surprise move in May, however, France's chief climate diplomat Laurence Tubiana told reporters that Paris would step in and produce a text if countries fail to make clear progress on whittling down the text by the end of August.

Opening the Bonn talks at the start of the week, France's Foreign Minister Laurent Fabius, who will chair the December meet, suggested work on four key pillars would help to define its success: a universal, legally-binding agreement; national climate action plans; finance, technology, capacity-building, and means of implementation (MoI); and the involvement of non-state actors.

A statement by Sudan on behalf of African ministers, delivered on Monday at the meet's opening plenary, recalled a vision outlined by the group in March for the Paris deal to respect the principle of "common but differentiated responsibilities." The statement also called for giving equal weight to climate mitigation and adaptation, operationalising a global goal for adaptation efforts, and boosting climate finance. (See Bridges Africa, [10 March 2015](#))

New climate architecture

The pressure is on for the new deal to deliver ambitious international climate action against the backdrop of warnings from the scientific community that escalating greenhouse gas emissions could curb economic growth, well-being, and seriously set back development aims.

At last December's climate talks in Lima, Peru, countries agreed that the new deal will be comprised of national contributions containing at least a mitigation component, as well as possible efforts on adaptation.

Some 38 nations have submitted their national climate contribution plans to date, each with varying information, timelines, and ambition levels. Together, these account for around one-third of global territorial emissions, and 33 percent of global goods exports.

In a recent joint statement, India and China promised to submit their respective contributions in due course. Japan has also signalled its intention to submit its plan by July.

The UNFCCC secretariat has been tasked with publishing a report in November on the aggregate ambition of the individual country climate efforts that have been put forward by October. Parties are aiming to do enough to bring temperatures below a two degree Celsius rise above pre-industrial levels. Some developing countries, however, have said this is not sufficient given the consequences they will face.

Key leaders in these discussions, such as UNFCCC Executive Secretary Christiana Figueres, have warned that the Paris deal alone will likely not do enough to tackle climate change and an essential aspect of the negotiations should revolve around a review mechanism to ramp up action over time.

Discussions around the long-term direction of the new deal may also be influenced by a G-7 leaders' meeting scheduled to be held in Germany's Elmau valley this weekend. Several experts have speculated that the gathering could see the group call for a long-term decarbonisation goal.

The decisions made in the UN climate talks could help signal a new era of green investment and growth, experts say. Green energy investments increased by 17 percent in 2014 compared to the previous year, according to a UN-sponsored [report](#). However, fossil fuels continue to command annual subsidies of around US\$550 billion, approximately four times those for renewable energy.

Moreover, some analysts have said that how the new bottom-up climate structure will support other processes tackling international challenges – such as the post-2015 development agenda currently under negotiation – remains to be seen in implementation. Other questions involve how such a system will square away with a globalised economy and interact with international trade rules.

Pricing carbon

In a [recent letter](#) to the Financial Times, the chief executives of six European energy groups signalled their intention to seek direct talks with governments on creating a global carbon pricing system.

The move echoed calls made at a May business and climate summit by French President François Hollande and key business chiefs for the introduction of effective carbon pricing to tackle climate change. (See BioRes, [26 May 2015](#))

Conversely, in the context of the multilateral climate talks, countries remain divided on the role for market-based mechanisms in the Paris deal. Some countries remain ideologically opposed to the use of such tools to address environmental issues. Others have made textual proposals on the use and purpose of markets under the new climate regime.

Efforts to write the rules on international coordination among carbon markets in the technical work undertaken in the UNFCCC's Subsidiary Body for Scientific and

Technological Advice (SBSTA) have proved slow in recent sessions. These talks largely echo positions held in the Paris deal negotiating track.

Switzerland, on behalf of several other countries, has submitted a [proposal](#) supporting the need to draft internationally agreed environmental standards in order to ensure that emissions units are not double-counted between regimes, as well as represent viable mitigation efforts.

Unilateral climate action

Joint negotiations under the Subsidiary Body for Implementation (SBI) and SBSTA are also continuing on a bracketed draft text on how to deal with the impact on third parties of the implementation of response measures to climate change – in other words, climate action's side effects. The talks have touched on issues such as whether export or development opportunities are hampered by unilateral climate action.

At last December's climate meet, delegates were unable to agree on how to take the subject forward, with some countries pushing for the establishment of a dedicated mechanism to deal with the impacts of such measures. (See Bridges Weekly, [18 December 2014](#))

Reports from Bonn suggest that parties opened negotiations this week with little movement on positions. Informal consultations are being held throughout the week in a bid to broker consensus on the subject.

Editor's note: Additional analysis on the Bonn talks, including a longer version of this briefing, is available in the latest [edition](#) of Bridges Trade BioRes, a monthly trade and environment-focused periodical also produced by ICTSD, the publisher of Bridges.

ICTSD reporting; "Expert views: Countries meet in Bonn to restart negotiations on UN climate deal," CARBON BRIEF, 1 June 2015; "U.N. climate deal in Paris may be graveyard for 2C goal," REUTERS, 1 June 2015; "European energy groups seek UN backing for carbon pricing system," THE FINANCIAL TIMES, 31 May 2015; "Climate deal must avoid US Congress approval, French ministers says," THE GUARDIAN, 1 June 2015.

EVENTS & RESOURCES

Events

Coming Soon

5 June, Geneva, Switzerland. FAO SYMPOSIUM ON TRADE & FOOD SECURITY. This event, held by the UN Food and Agriculture Organization (FAO), will share initial findings from expert consultations on the issue of trade and food security, as a way to test ideas and gather inputs ahead of the publication of the 2015 version of the FAO's State of Agricultural Commodity Markets. The event will feature opening remarks by senior WTO and FAO representations, a presentation of the consultations' main findings, and two panel discussions. To learn more, click [here](#).

9 June, Beijing, China. AFRICAN ECONOMIES AND CHINA: PRESENT SITUATION, CHALLENGES AND PROSPECTS. This event, hosted by the Brookings-Tsinghua Center for Public Policy, will discuss Chinese investment and involvement in the African continent, particularly in the areas of trade and infrastructure. The meeting will include a presentation of the International Monetary Fund's (IMF) Regional Economic Outlook, as well as a paper by Brookings Senior Fellow David Dollar on the motivations for Chinese investment in Africa. More information about this event can be found [here](#).

11 June, Washington, US. TOP 20 US TRADE PARTNERS: WHO ARE THEY AND WHAT DOES IT MEAN FOR TRADE? This event, organised jointly by the Washington International Trade Association (WITA) and WorldCity, will focus on the latest trade statistics for the US, as well as how this information reflects the current state of Washington's trade policy and potential future prospects. More details, including on how to register, are available at the WITA event [website](#).

11 June, London, UK. FINANCING THE FUTURE: WILL ADDIS DELIVER? This event is being hosted by the Overseas Development Institute and will be streamed live online. The meeting will consider how the upcoming UN Financing for Development (FfD3) conference in Addis Ababa, Ethiopia, should deliver for the world's poorest, along with what policy measures will be needed from the actors involved in this respect. More details can be found at the ODI [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.

5 June: Committee on Trade and Development – Dedicated Session on Small Economies

8 June: Committee on Budget, Finance and Administration

9 June: Committee on Trade and Development

9-10 June: Council for Trade-Related Aspects of Intellectual Property Rights

Other Upcoming Events

16 June, Geneva, Switzerland. STRENGTHENING GLOBAL VALUE CHAINS IN THE CLEAN ENERGY SECTOR. This event is being convened jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the SETI Alliance. Held on the sidelines of the upcoming round of negotiations for the planned Environmental Goods Agreement, this meeting will feature presentations from business representatives about projects in developing countries to see how tariffs and non-tariff barriers affect supply chains; expert presentations from ICTSD on options for mutual recognition of standards for clean energy technologies, as well as from the Organisation for Economic Co-operation and Development (OECD) on their upcoming research on international investment in solar and wind energy. Details are available at the ICTSD [website](#).

19 June, Washington, US. HILL TRADE BRIEFING ON CURRENCY MANIPULATION. This briefing, hosted jointly by the Washington International Trade Association (WITA) and WorldCity, will address the ongoing Washington debate over the impact of exchange rates on trade. This will include, among other subjects, the legislative process to renew Trade Promotion Authority. More information, including a list of featured speakers and registration details, can be found at the WITA event [website](#).

23 June, London, UK. DANI RODRIK: THE FUTURE OF ECONOMIC TRANSFORMATION IN DEVELOPING COUNTRIES. This event, held by the Overseas Development Institute (ODI), will feature economist Dani Rodrik as the keynote speaker. The discussions will focus on the future of economic transformation in developing countries, while also reviewing the latest trends in this field. The meeting will be streamed live online from the ODI website. To learn more, visit the ODI [website](#).

20 June, Tokyo, Japan. SEMINAR BY WILLIAM ROBERDS: DEATH OF A RESERVE CURRENCY. This event, part of the Asian Development Bank Institute's Seminar Series, will feature William Roberds of the Federal Reserve Bank of Atlanta as its guest speaker. The seminar will address the downfall of the Bank of Amsterdam, formerly the dominant central bank of Europe during most of the 18th century, examining the policy actions which led to its struggles. The meeting will then examine the potential lessons this episode can have for modern central banks. More information is available [here](#).

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](#).

30 September – 2 October, Geneva, Switzerland. WTO PUBLIC FORUM: TRADE WORKS. This year's WTO Public Forum comes as the global trade body celebrates its 20th anniversary. The theme of "Trade Works" will focus on the contribution that global trade cooperation over the past two decades has made to the world economy. Participants interested in organising an event at the Forum are asked to submit their proposals by 19 June. More information on the event is available at the WTO [website](#).

14-17 December, Nairobi, Kenya. TRADE AND DEVELOPMENT SYMPOSIUM. This biennial event, organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the government of Kenya, will be held in parallel to the WTO's Tenth Ministerial Conference. The four-day event will include various high-level plenaries, press events, and private roundtables, among other features. A call for proposals is now underway for those interested in hosting partner sessions during the symposium. Further details can be found on the official event [website](#).

Resources

A HISTORY OF LAW AND LAWYERS IN THE GATT/WTO: THE DEVELOPMENT OF THE RULE OF LAW IN THE MULTILATERAL TRADING SYSTEM. Co-published by the WTO and Cambridge University Press (June 2015). This new book brings together contributions from current and former staff members of the WTO and its predecessor, the General Agreement on Tariffs and Trade (GATT). These contributions review the history of law and lawyers in the GATT/WTO system, as well as the evolution of legal work during the institution's history. To learn more, visit the WTO [website](#).

STATE OF FOOD INSECURITY IN THE WORLD 2015. Published by the UN Food and Agriculture Organization (FAO) (May 2015). This latest edition of FAO's annual report on global food insecurity review the progress made to date in fulfilling the hunger targets within the Millennium Development Goals and World Food Summit. Published just months ahead of the UN summit where member states are set to agree on a new set of Sustainable Development Goals, the report reflects on what needs to be done to eradicate hunger and achieve food security across all its dimensions. To learn more or to read the publication, visit the FAO [website](#).

MAKE IN INDIA: WHICH EXPORTS CAN DRIVE THE NEXT WAVE OF GROWTH? By Rahul Anand, Kalpana Kochhar, and Saurabh Mishra for the International Monetary Fund (IMF) (May 2015). This new working paper examines India's exports at the levels of technological content, quality, sophistication, and export basket complexity. The authors then identify five priorities areas for policies, including the reduction of trade costs and increased liberalisation of foreign direct investment. To learn more, or to download the paper, visit the IMF [website](#).

TRADE POLICY UNCERTAINTY AS BARRIER TO TRADE. By Alberto Osnago, Roberta Piermartini, and Nadia Rocha for the WTO (May 2015). This WTO working paper examines the impact that policy uncertainty has on trade, using a sample of 149 exporters at the HS-6 digit level. This uncertainty, the authors find, creates a significant barrier to exports. To learn more or to download the working paper, click [here](#).

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