

# BRIDGES WEEKLY

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## CLIMATE CHANGE

### UN Shipping Agency Endorses First-Ever Target for Slashing Emissions

The UN's international shipping agency has endorsed a landmark target of cutting greenhouse gas (GHG) emissions from the sector by at least 50 percent from 2008 levels by mid-century – its first goal of this kind. Countries will need to flesh out the details of this plan over the coming years, with the objective of adopting a more detailed final version in 2023.

Negotiators agreed on the initial plan during a two-week meeting of the International Maritime Organization's (IMO) Marine Environment Protection Committee (MEPC) in London. Along with adopting an initial goal for cutting emissions, the committee also agreed to develop a list of steps that the sector can take towards meeting this goal, along with discussing other subjects such as how to prepare for the entry into force of a cap on sulphur in marine fuels by 2020.

"We stand here at one of the most historic moments in IMO when, for some years now, the global community brought nations together in a common cause to undertake ambitious efforts to combat climate change," said IMO Secretary-General Kitack Lim at the start of the latest MEPC deliberations.

"As a member of the United Nations family, IMO is encouraged by the spirit of the Paris Agreement and fully committed to further limit and reduce greenhouse gas emissions from shipping, bearing in mind the successful progress which has been achieved to date," he added.

The Paris Agreement is the landmark UN climate accord, adopted in 2015 and in force as of November 2016. It does not cover shipping or aviation, with the climate dimensions of those sectors instead left to the relevant international bodies.

Given the rising levels of emissions from these two transport sectors, climate watchers say that curbing shipping and aviation emissions will be key towards supporting the Paris Agreement's own climate action goals – particularly its target for keeping global temperature rises limited to two degrees Celsius relative to pre-industrial levels, and ideally within 1.5 degrees.

The IMO has previously adopted mandatory measures in 2011 targeting ship's energy efficiency, along with endorsing steps for the collection of fuel use data and curbing the sulphur content in such fuels. (See Bridges Weekly, [20 July 2011](#) and [3 November 2016](#))

### Preparing for 2023

Under the 2016 IMO roadmap for developing an emissions cutting target, the UN agency is now due to develop a final strategy and related measures by 2023 – a goal that climate officials and environmental agencies have both welcomed as an opportunity to pursue even greater ambition in curbing sector-wide emissions. (See Bridges Weekly, [3 November 2016](#))

Some IMO members, such as the European Union, had called for the IMO to endorse steeper emissions cuts by mid-century. The target of “at least” 50 percent announced last week was a compromise between requests for longer phase-out periods and lower cuts to emissions from some actors, and requests from others such as the EU for slashing emissions by 70-100 percent by 2050. Officials say that balancing the developmental needs of some countries – which could suffer adverse economic effects from emissions cutting requirements – will also be a key consideration going forward.

“While the EU had sought a higher level of ambition, this is a good starting point that will allow for further review and improvements over time,” said Miguel Arias Cañete, the EU's Commissioner for Energy and Climate Action, and Violeta Bulc, the EU's Commissioner for Transport, in a [joint statement](#).

UN climate officials similarly suggested that the IMO process, given the five additional years to hammer out relevant details, will be a valuable window to craft a more comprehensive, hard-hitting solution.

“I call on all nations to build on this achievement and use the review mechanism enshrined in the strategy to step up the level of ambition in 2023 when the strategy will be reviewed in light of the new science and available solutions,” [said](#) Patricia Espinosa, Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC, also known as UN Climate Change).

The IMO's initial target has been welcomed both by international groups representing the shipping sector, as well as by environmental organisations who have said that it constitutes as a valuable first step.

“We are confident this will give the shipping industry the clear signal it needs to get on with the job of developing zero CO<sub>2</sub> fuels, so that the entire sector will be in a position to decarbonise completely, consistent with the 1.5 degree climate change goal,” [said](#) Peter Hinchliffe, Secretary General of the International Chamber of Shipping, an industry group.

Hinchliffe also suggested that the “at least 50 percent” goal was “ambitious” in itself, particularly given trade growth projections. The vast bulk of world trade is transported via ships, with the [International Chamber of Shipping](#) suggesting that around 90 percent of trade is seaborne.

Environmental groups and researchers have also flagged the importance of taking steps to curb emissions in the short term, along with preparing for longer term objectives.

“We have an important agreement, and this level of ambition will ultimately require a sector-wide shift to new fuels and propulsion technologies, but what happens next is crucial,” [said](#) John Maggs, a senior policy advisor at Seas At Risk who also heads the [Clean Shipping Coalition](#) (CSC). “The IMO must move swiftly to introduce measures that will cut emissions deeply and quickly in the short term. Without these the goals of the Paris Agreement will remain out of reach.”

The CSC is a group of NGOs working on the environmental dimension of the shipping sector. Seas at Risk also brings together various NGOs, based in Europe, with similar aims.

"The IMO's meeting agenda for the week was ambitious, as it included items for greenhouse gas emissions, energy efficiency, and fuel use in the Arctic region – all of them posing important and urgent challenges. On the other hand, it does not inspire optimism that the IMO is still working on an 'initial strategy' for addressing greenhouse gas emissions 26 years after the initiation of the UN Framework Convention on Climate Change and 21 years after the Kyoto Protocol named the IMO as the responsible venue for addressing international maritime issues," said Thomas Brewer in comments to Bridges.

Brewer is a Senior Fellow at the International Centre for Trade and Sustainable Development (ICTSD) and a Visiting Scholar, MIT Center for Energy and Environmental Policy Research (MIT/CEEPR). (*Editor's note: ICTSD is the publisher of Bridges*)

"Of course, to be grounded in reality, one must always remember that the IMO is a membership organisation with 173 national governments, which represent highly diverse interests and have divergent perspectives about what to do about climate change generally. As for the future, like other international organisations, the IMO is entering a new era in which key questions are whether and how the EU, Canada, the Nordic countries, China, India, and other countries will play leadership roles while the evidence about climate change and shipping's contribution to it continues to be compelling," Brewer added.

### **UN climate talks coming up**

The IMO news comes just weeks before UN climate negotiators are due to convene in Bonn, Germany, for their mid-year negotiating session.

The Bonn talks are set for 30 April to 10 May and feature a packed negotiating agenda, in light of some key deadlines in place for later this year. The meeting will aim to lay the groundwork for the UN Framework Convention on Climate Change's Twenty-Fourth Conference of the Parties (COP24), which will be held this December in Katowice, Poland.

For example, negotiators at this year's COP are due to finish elaborating a "rulebook" for implementing the Paris Agreement. At Katowice, UNFCCC parties are also due to conduct an initial review of their nationally determined contributions (NDCs), which are their domestic plans for meeting the Paris Agreement's climate goals. In 2023, there will be a "global stocktake" of these NDCs, with the goal of making them even more robust – a timeframe that coincides with the IMO's deadline for finalising its shipping emissions strategy. (See Bridges Special update, [19 November 2017](#))

ICTSD reporting.

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## E-COMMERCE

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# WTO Members Submit Proposals Aimed at Advancing Exploratory E-Commerce Work

Over the past few weeks, a host of submissions have been put forward by WTO members as part of exploratory work to support future talks among interested parties on the trade-related aspects of e-commerce.

This preparatory process builds on the "Joint Statement on Electronic Commerce," signed by a diverse group of 71 members at the Eleventh WTO Ministerial Conference (MC11) last December in Buenos Aires, Argentina. (See Bridges Weekly, [14 December 2017](#))

"[We] reaffirm the importance of global electronic commerce and the opportunities it creates for inclusive trade and development. We share the goal of advancing electronic commerce work in the WTO in order to better harness these opportunities," members said in the joint statement last year.

"We also recognise the important role of the WTO in promoting open, transparent, non-discriminatory, and predictable regulatory environments in facilitating electronic commerce," the statement continued.

The new proposals, tabled by Argentina, Colombia, and Costa Rica (JOB/GC/174); New Zealand (JOB/GC/175); Brazil (JOB/GC/176); Japan (JOB/GC/177); the United States (JOB/GC/178); Singapore (JOB/GC/179); Japan (JOB/GC/180); Russia (JOB/GC/181); and Chinese Taipei (JOB/GC/182) seek to organise exploratory work and identify potential elements that could form the basis of a future agreement.

The submissions show indications of potential overlapping interest in exploring several specific areas, including market access commitments, trade facilitation, consumer protection, and data flows. The coalition working on the next steps for the joint statement will reconvene next month and again in June, followed by a stocktaking exercise in July, sources said.

### Discussing rationale, vision

Various submissions underlined the importance of developing new rules in this area, such as how it could demonstrate the WTO's ability to adapt to the technological changes reshaping the global economic landscape.

Argentina, Colombia, and Costa Rica together emphasised that progress on the e-commerce agenda would represent a "milestone on the road towards reviving the negotiating function of the WTO."

Japan noted that the present WTO framework was "developed before the technological evolution of the Internet" and "may not fully take into account the implications of the latest technologies," emphasising the need to make WTO obligations more relevant to the digital economy.

"Achieving consensus on such provisions would also demonstrate the WTO's ability to respond to transformations in the global economy," the US communication stated.

Various submissions also set out to define the role of existing WTO disciplines that apply to e-commerce, with many noting that these should serve as the point of departure. Some, such as Japan, New Zealand, and Singapore, also suggested that it would be valuable to draw on lessons learned from free trade agreements.

New Zealand suggested that discussions draw on existing resources under the WTO's 1998 E-Commerce Work Programme, urging members not to duplicate the work already accomplished but instead to use this new exploratory work to focus on specific policy issues that can be addressed through potential trade rules.

Argentina, Colombia, and Costa Rica proposed clarifying existing disciplines and establishing new rules only where necessary to address new developments or gaps in the system.

The communication from Russia divided e-commerce issues into matters that fall under the WTO legal framework but require further clarification and those that are not covered by the existing WTO rules but concern e-commerce. The work structure proposed by Russia prioritised the examination of gaps in existing WTO agreements in relation to barriers to e-commerce as a first step to understanding the potential gains of a future agreement.

"We suggest that the future discussions cover all aspects of e-commerce without splitting topics on e-commerce for separate discussions," says Russia's proposal.

The joint submission from Argentina, Colombia, and Costa Rica, also underlined the importance of a "coherent negotiating agenda" and a "holistic approach" when structuring exploratory work given the complexity and cross-cutting nature of e-commerce.

Various submissions also referred to the importance of highlighting the development dimension in these discussions, and thus help ensure the maximum contribution of new e-commerce rules to inclusive growth. This commitment is enshrined in the text of the joint statement, which says that signatories "recognise the particular opportunities and challenges faced by developing countries, especially [least developed countries], as well as by micro, small and medium-sized enterprises, in relation to electronic commerce."

Brazil highlights the promotion of the participation of women as consumers and traders in e-commerce as a crucial aspect of any outcome on e-commerce in the WTO, and emphasises the imperative of addressing challenges to small businesses. New Zealand also noted the significance of e-commerce for women, micro, small, and medium enterprises, and rural communities.

The Brazilian non-paper further underlines development as a core and "cross-cutting" element in exploratory work, calling for a dialogue on the challenges and opportunities faced by developing countries with regard to e-commerce and in-depth needs assessment.

The communication proposes a flexible approach allowing developing and least developed country (LDC) members to choose which components they are prepared to consider in future talks, which could lead to the creation of tiered timetables for the implementation of specific components.

"The flexible combination of different outcomes might ensure a level of ambition that is tailor-made to each developing and least-developed member, without necessarily reducing the overall level of ambition on electronic commerce negotiation as a whole," it says.

The communication from Argentina, Colombia, and Costa Rica underscores the need for "flexibility for developing countries in binding market opening and undertaking new obligations on regulatory issues." It also suggests exploring potential synergies with the Aid for Trade initiative or drawing on the experience of the staggered implementation schedules of the WTO's Trade Facilitation Agreement (TFA).

Several communications reaffirm that negotiations must stay open to all members in line with the joint statement, including the proposal by Argentina, Colombia, and Costa Rica, as well as submissions from New Zealand and Russia, respectively.

"We are convinced that the success of the above-mentioned exploratory work depends on the active participation of all WTO members, without which the elaboration of universal rules on effective regulation on e-commerce issues at the international level is not deemed possible," reads the Russian communication. "We therefore encourage WTO members that signed the joint statement to put in their best efforts to involve as many members into the exploratory work as possible."

### **Market access, trade facilitation**

Many countries included market accessibility and improved market access commitments for e-commerce-related sectors of goods and services trade as part of the agenda for exploratory work, including Argentina, Colombia and Costa Rica; Brazil; the US; Japan; Chinese Taipei; and Singapore.

For example, Singapore focused on market access for goods and services as a means to promote infrastructure development in developing countries and overcome infrastructure gaps obstructing the widespread adoption of e-commerce in LDCs.

Members including the US, Singapore, and New Zealand also noted the value of the current practice of not imposing customs duties on electronic transmissions, with Singapore and New Zealand suggesting that this could be made permanent in order to create a more predictable business environment for business and consumers.

"The most important value that the Internet brings to international trade is that suppliers are enabled to reach potential overseas customers direct across great geographical distances and strict political or state boundaries instead of relying solely on physical contacts, and consequently to gain access to the markets," Chinese Taipei's communication states. "It is our belief that such measures should be disciplined and restrained, otherwise the primary merit of improving market accessibility of electronic commerce vanishes."

Meanwhile, Brazil said e-commerce facilitation "could be readily translated into rulemaking provisions," citing the issues' "technical, specific and rather uncontroversial nature."

In guiding efforts to create an enabling environment for e-commerce, members noted the key role of interoperability between domestic regulatory frameworks to eliminate hurdles for cross-border business operators. Japan in particular pointed to a role for the WTO in promoting intergovernmental activities at the regional and international levels in order to encourage harmonisation in regulations.

Various submissions also referred to the need to make administrative documents available electronically, known as paperless trading, in order to lower the costs of participating in e-commerce for small and medium-sized enterprises.

Members including New Zealand, Brazil, and Japan also referred to electronic authentication methods and/or access to online payment solutions as a means to enable online transactions. Brazil and Singapore encouraged members to ensure that their legal systems permit contracts to be concluded electronically.

Several proposals referred to other measures to improve trust and foster a secure environment, including towards the protection of online consumers from deceptive business practices; safeguarding personal information of e-commerce users; identifying threats to cybersecurity; and addressing spam and unsolicited electronic messages.

ICTSD reporting.

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## CLIMATE CHANGE

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### **New Zealand Bans New Offshore Oil Exploration, Discusses Climate and Trade with France**

In a decision dubbed as a landmark move in the fight against climate change, New Zealand will immediately cease granting new offshore oil and gas exploration permits. The policy is the latest effort by the Oceanic nation to move its economy towards a lower-carbon model, working both domestically and with international partners.

Announcing the offshoring ban on 12 April in the capital city of Wellington, Prime Minister Jacinda Ardern described the decision as "an important step to address climate change and create a clean, green, and sustainable future for New Zealand."

The fight against climate change is a policy priority for the Labour-led coalition government, which took office last year. The government has committed to transitioning to 100 percent renewable electricity production by 2035 and achieving carbon neutrality by mid-century. (See Bridges Weekly, [26 October 2017](#))

#### **Long-term transition**

The ban will only apply to new permits and will not affect the 22 existing offshore exploration permits that cover an area of 100,000 square kilometres, nearly the size of the country's North Island. Future mining permits from current exploration will also remain unaffected.

Exploration permits can last for over a decade, while subsequent mining permits can run for an additional 40 years. The ban will therefore not affect these extractive industries straight away, a field that analysts say provides nearly 5000 people with jobs directly and potentially thousands with more indirect jobs that support the sector.

Onshore oil exploration in Taranaki, home to most of New Zealand's national oil industry, will also continue. Overall, this means that oil and gas extraction could potentially last until 2050.

Officials say that the decision reflects the government's effort to balance multiple objectives, including meeting energy needs, providing job security, and achieving Wellington's international climate obligations under the Paris Agreement as well as its own domestic climate ambitions.

"Transitions have to start somewhere and unless we make decisions now that will essentially take effect in 30 or more years' time, we run the risk of acting too late and causing abrupt shocks to communities and our countries," Ardern said.

By making the announcement now, the government aims to give the industry certainty and sufficient time to adapt by developing innovative technologies and investing in new areas.

The government will also work with affected regions to ensure a smooth transition, including through investment in infrastructure and clean energy projects. A week before the ban, the government announced a NZ\$20 million (US\$14.6 million) investment in regional initiatives in Taranaki to start the move towards lower-carbon industries.

### **Exploration ban sparks mixed reactions**

While several commentators have praised the government's ban as a bold move, others have criticised the measure for a variety of reasons.

Some observers have questioned the value of the ban given that demand for offshore exploration permits has practically dried up, with only two permits awarded in the past two rounds, down from 15 in 2014.

Other critics claim that the ban may have no or even negative climate change impacts if it is not paired with complementary climate policies. Some commentators, for example, warn that the move may result in increased coal combustion, which would be even more harmful for the environment.

Another point of criticism relates to concerns that without demand-side policies that tackle the use of oil and gas in New Zealand, increased energy imports could compensate for lower domestic supply, which would do little to reduce greenhouse gas emissions globally.

The opposition National Party has described the ban as "economic vandalism" that will put thousands of jobs at risk without doing anything to address the climate challenge.

### **New Zealand, French leaders discuss "new generation trade deals"**

Ardern has since kicked off a weeklong diplomatic mission to Europe with a meeting with French President Emmanuel Macron on 16 April in Paris, France. Following an hour-long discussion, the two leaders issued a [joint statement](#) outlining plans for cooperation on trade, climate change, environmental protection, and international security.

In the statement, the leaders agreed to enhance bilateral trade and investment "through the future negotiation of a balanced, mutually beneficial, progressive and inclusive free trade agreement between New Zealand and the European Union."

Securing France's support for launching formal trade talks between the EU and New Zealand prior to a European Council vote on a mandate for these negotiations in May was Ardern's top priority, she said. The EU Commission has asked the Council to endorse the mandate and start these negotiations, as well as a separate trade agreement with Australia, promptly. (See Bridges Weekly, [14 September 2017](#))

Macron, who has previously expressed concern about New Zealand's competitive agricultural sector, voiced his support for a free trade deal between the two economies, stressing that it could set the standard for a "new generation" of trade deals that include social and environmental considerations.

"I believe there is a new generation of trade agreements we can take forward and the agreement between the EU and New Zealand can set a standard," Macron said.

The written statement is heavily loaded with references to climate change, including in relation to trade policy. It features a joint pledge to work together "to promote and defend an effective international rules-based system including by advocating for rules and institutions to adapt and address global challenges such as climate change."

The two leaders also vowed to pursue progress in WTO negotiations on disciplining harmful fisheries subsidies and collaborate on the subject of fossil fuel subsidy reform, including through enhanced transparency and reporting on this issue in the WTO context. France is represented by the EU at the global trade club, while also being a WTO member in its own right.



Additionally, they agreed to “[promote] trade policy that supports our shared multilateral commitments in areas such as labour and the environment, including the effective implementation of the Paris Agreement.”

Ardern continued her trip with a 17 April meeting with German Chancellor Angela Merkel in Berlin, Germany. Merkel has been a strong supporter for trade talks between the EU and New Zealand.

ICTSD reporting; “PM Jacinda Ardern speaks about climate change after meeting with French president Emmanuel Macron in Paris,” 17 April 2018, NZ HERALD; “Bryce Edwards' Political Roundup: A bolder and greener government,” 16 April 2018, NZ HERALD; “New Zealand Steps Up Climate Change Fight With Exploration Ban,” 12 April 2018, BLOOMBERG; “New Zealand bans all new offshore oil exploration as part of 'carbon-neutral future',” 12 April 2018, THE GUARDIAN.

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## UNITED STATES

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# US to Review Preference Scheme Eligibility for India, Indonesia, Kazakhstan

Washington trade officials announced last week that they would be reviewing the eligibility of India, Indonesia, and Kazakhstan for participation in a long-standing trade preference programme for developing nations.

The news was confirmed by the Office of the US Trade Representative (USTR), which will conduct this review together with other federal agencies, and has been described as part of a broader initiative to improve enforcement of US trade policy rules. The programme in question is the US' Generalised System of Preferences (GSP).

For example, late last year USTR Robert Lighthizer [announced](#) a new plan aimed at verifying that GSP countries are meeting the requirements for continued involvement in the programme. This plan includes reviews every three years, with the US trade chief describing the effort as one meant to "set the correct balance for a system that helps incentivise economic reform in developing countries and achieve a level playing field for American businesses."

Last week's announced reviews of the GSP benefits to India, Indonesia, and Kazakhstan are meant to "help enforce the Trump Administration's key principles of free and fair trade across the globe," [said](#) Deputy US Trade Representative Jeffrey Gerrish. "We hope that India, Indonesia, and Kazakhstan will work with us to address the concerns that led to these new reviews," he concluded.

### GSP, development, and US priorities

The US' GSP was [renewed](#) last month, following approval by Congress and presidential signature, though the renewal takes effect next week. The programme will now be in place through the end of 2020.

Initially set up by the Trade Act of 1974 and taking effect two years later, the GSP is Washington's longest running trade preference scheme, though it does require regular renewal by Congress and by the President. The GSP is aimed at fostering deeper ties with developing economies and incentivising economic growth and covers some 3500 products, imported from a host of designated countries, with additional coverage for least developed country (LDC) products.

Goods currently eligible for GSP treatment are listed on the [Harmonized Tariff Schedule of the United States \(HTSUS\)](#), published by the US International Trade Commission (USITC). The programme [requires](#) the exclusion of some goods, such as textiles and apparel, along with "import-sensitive" goods such as steel.

Along with reviewing individual country eligibility, the USTR also examines the products covered by the GSP to see whether including them remains in line with domestic priorities, consumer demand, market conditions, and other relevant factors.

Other considerations for including or excluding products, under the 1974 law, include how developing economies are affected, along with competitiveness implications for US producers and the effects of preference schemes granted by other countries.

### India under review

India is the most commercially significant beneficiary of the preference scheme, [having exported](#) US\$5.6 billion worth of GSP-eligible goods to the US in 2017, roughly one-quarter of the total value of products that the US imports under the programme.

The USTR has [claimed](#) that India has implemented a series of trade barriers that have hampered the import of medical and dairy products, such as a move last year to impose price controls on certain medical devices. The decision by New Delhi was lambasted by US industry groups, who argue that the move to force lower prices could hinder innovation while not providing any additional benefits to consumers. Indian health coalitions, meanwhile, have publicly defended the policy.

Lighthizer reportedly wrote to Indian commerce officials on the subject, according to the Live Mint news agency. As part of the GSP review, the US trade chief's office has accepted petitions submitted by the [US dairy industry](#) and the [US medical device industry](#). Washington is also conducting a "self-initiated review" to see whether New Delhi is in line with GSP rules on market access.

### Further reviews of Kazakhstan, Indonesia

According to the USTR, Kazakhstan's GSP eligibility review is based on labour rights concerns, and follows a petition submitted by the AFL-CIO, the large US labour federation.

The petition claims that Kazakhstan "has not taken steps to afford internationally recognised worker rights," according to the Office of the USTR. The country is the twelfth biggest recipient of US GSP benefits.

For its part, Indonesia currently ranks as the fourth biggest US GSP beneficiary, exporting goods to the US to the tune of US\$2 billion last year. The Office of the USTR has cited market access among the reasons for reviewing GSP eligibility.

Additionally, GSP benefits to Indonesia were being reviewed on the basis of alleged lack of implementation and enforcement of intellectual property rights, as [petitioned](#) by the International Intellectual Property Alliance (IIPA).

According to the USTR, there will be a public hearing and comment period for the new GSP reviews of India, Indonesia, and Kazakhstan. Another [eight countries](#) have active GSP practices being currently reviewed, according to a list published by the US agency.

ICTSD reporting; "US Announces GSP Eligibility Review of India," THE WIRE, 14 April 2018; "US to review India's eligibility for GSP scheme," LIVE MINT, 14 April 2018; "Dairy groups support Trump Administration examination of India, Indonesia compliance under generalized system of preferences," OHIO'S COUNTRY JOURNAL, 16 April 2018; "US Medical Devices Companies Lobby To Punish India For Regulating Drug And Stent Prices," OUTLOOK INDIA, 25 October 2017; "\$5.6 billion Indian exports may be hit as US weighs together policy," LIVE MINT, 18 April 2018.

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## BIODIVERSITY

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### Top UN Biodiversity Official Calls for Global Push on Land Conservation

The UN leader on biodiversity warned last week that time is running out to stem the loss of world species, which could have devastating economic impacts. She also called upon governments to take decisive action in both the short and long-term to protect the planet's endangered ecosystems.

[Speaking to the Guardian](#), Executive Secretary of the Convention on Biological Diversity (CBD) Cristiana Paşca Palmer called for at least 50 percent of the planet to be more "nature-friendly" by mid-century, emphasising that preserving biodiversity is essential to human wellbeing and continued economic development.

To meet this target, she told the news agency that governments should consider an incremental expansion of the world's protected areas, referring specifically to nature reserves, ocean protected areas, restoration projects, and sustainable land use regions. These could grow by 10 percent every 10 years, she said.

The CBD is due to hold its biennial "Conference of the Parties" (COP) this year in Egypt and again in 2020 in China. The latter event, which is the highest level of CBD meeting, lines up with the deadlines for governments to meet a series of biodiversity targets, and has been envisioned by many advocates as a potentially landmark occasion for incentivising greater action on the biodiversity front.

Ahead of the 2020 COP, Paşca Palmer said she is considering accepting voluntary commitments from governments and has proposed setting up a financial mechanism to assist developing countries in moving towards more sustainable land use.

The threat of biodiversity loss has grown in international prominence with the UN's Strategic Plan for Biodiversity and its declaration of 2011 to 2020 as the "Decade of Biodiversity." Seeking to galvanise governments to work towards "ambitious but achievable" goals, the plan outlined the [Aichi Biodiversity Targets](#), with a deadline of 2020.

Target 11 specifically calls for the conservation of at least 17 percent of terrestrial and inland water areas and 10 percent of coastal and marine areas by 2020, but experts say progress in this area has been limited. Other targets include ensuring sustainable management of agriculture, aquaculture, and forestry, along with curbing pollution, better protecting threatened species, and ensuring that indigenous communities' traditional knowledge and biological resources "are respected."

#### A rising crisis in biodiversity

A recently released [set of reports](#) on the status of world biodiversity highlight the critical state of world ecosystems. The assessments, issued in late March by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), find that biodiversity has continued to decline in every region of the world, despite previous government conservation efforts, with potentially devastating economic impacts.

The findings point to habitat change, climate change, invasive species, pollution, and unsustainable use as the key drivers of biodiversity loss.

The report is the end product of a three-year investigation into regional variations in biological diversity and ecosystem destruction. Written by over 550 experts from 100 countries, the results underline the need for more serious action to protect biodiversity.

Some experts acknowledge that the lack of public urgency on the issue may stem from the feeling that biodiversity and ecosystem health are academic concerns that do not affect most people's daily lives – rather than an economic and social imperative.

The Chair of PBES, Sir Robert Watson, pushed back on this idea, [saying](#) that "nothing could be further from the truth – they are the bedrock of our food, clean water, and energy." He added that functioning ecosystems "are at the heart not only of our survival, but of our cultures, identities, and enjoyment of life."

[Calling](#) the reports "sobering," Paşca Palmer noted at the time that "at the current rate of destruction not only will it be difficult to safeguard life on Earth, but will jeopardise the prospects for human development and well-being."

### **Implications for future development**

IPBES officials joined Paşca Palmer last month in stressing the importance of biodiversity in reaching development goals, and conditioned the achievement of the UN's Sustainable Development Goals on the health of the world's ecosystems.

Dr. Anne Larigauderie, the Executive Secretary of IPBES, stated that continued biodiversity loss "seriously jeopardises the chances of any region meeting their global development targets."

She also drew attention to the role that functioning ecosystems play in the mitigation of extreme weather events and the emergence of disease, which can have catastrophic economic implications, with the IPBES official calling biological diversity an "insurance policy against unforeseen disasters."

In reference to her 2050 proposal, Paşca Palmer told the Guardian that efforts to improve conservation can go hand-in-hand with economic development. Rather than a focus on preserving 50 percent of the planet exclusively for nature, she called for a shift towards how local communities use their land, transitioning towards less-intensive approaches.

"It's not 50 percent us versus 50 percent nature," she said. "For developing countries the message is not that they should close off more land, but to show how more sustainable use can bring social and economic benefits."

ICTSD reporting; "Make half of the world more nature-friendly by 2050, urges UN biodiversity chief," THE GUARDIAN, 13 April 2018.

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## TRADE AGREEMENTS

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### US Officials Look to Next Steps on Trade Negotiating Agenda

The past week has seen a series of potential signals from the US on next steps for different trade negotiating processes, amid varying statements from US President Donald Trump on whether he may pursue re-entry into a Pacific Rim trade deal, as well as a leaders' level meeting with Japan and a regional summit in Peru.

Trump met with Japanese Prime Minister Shinzo Abe from 17-18 April at the US leader's Mar-a-Lago resort in Florida, where trade was a top item on the agenda. The US has been calling for launching bilateral trade talks with the Asian economic giant, with the hopes of getting market access gains in the fields of agriculture and automobiles, among other objectives, but Japan remains non-committal towards the prospect of a bilateral deal.

The US-Japan leaders' meeting, which ultimately saw the two sides pledge to hold deeper discussions on future trade cooperation, including on trade agreements, also drew additional scrutiny given recent conflicting statements from Trump on whether the US might ask to negotiate re-entry into a regional trade deal involving Japan.

This accord is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the successor to the Trans-Pacific Partnership (TPP). The TPP had previously included the US.

Last week, Trump [announced](#) on the social media platform Twitter that he would consider rejoining the CPTPP if the deal were "substantially better than the deal offered to [former President Barack] Obama." The US leader had pulled his country out of the older agreement, the TPP, just over a year ago, after having highly criticised the trade deal when campaigning for the presidency.

In addition to his statement on Twitter, Trump reportedly directed his officials to review options for moving forward in this regard and begin preliminary discussions. "We already have BILATERAL deals with six of the eleven nations in TPP, and are working to make a deal with the biggest of those nations, Japan, who has hit us hard on trade for years!" said Trump on 13 April.

National Economic Council (NEC) Director and Assistant to the President for Economic Policy Larry Kudlow [told reporters](#) on Tuesday 17 April that it was "too early" to say how the CPTPP would feature in leaders' level talks between Trump and Abe, while acknowledging that there were "discussions and consideration" already underway between the relevant officials.

"If we choose to go down that path, however, to 'improve [the CPTPP],' we will have to be convinced that it's worth our while. And I don't think the President is yet convinced of that, to be honest. I don't think he is," said Kudlow, without ruling it out.

On Wednesday 18 April, however, Trump issued a new statement on Twitter suggesting that the option of asking to re-join the CPTPP is still entirely off the table.

"While Japan and South Korea would like us to go back into TPP, I don't like the deal for the United States. Too many contingencies and no way to get out if it doesn't work. Bilateral

deals are far more efficient, profitable and better for OUR workers. Look how bad WTO is to US," Trump [said](#).

Abe told reporters on Wednesday that he still prefers the CPTPP as a trade framework, as opposed to a bilateral deal with the US. Japan had helped play a leading role in advancing the CPTPP trade deal with the 11 remaining members, following the US withdrawal. The coalition signed a revised version of the trade deal, suspending nearly two dozen of the original provisions, this past March. (See Bridges Weekly, [22 February 2018](#))

South Korea is not a CPTPP member, though Seoul officials have indicated possible interest in requesting accession talks. Trump did not clarify whether his statement was based on discussions with his South Korean and Japanese counterparts or not. He also did not explain what he meant by not being able to "get out," given that the CPTPP [does outline](#) a clear procedure for any party's withdrawal.

### **NAFTA process continues**

Meanwhile, a separate regional initiative involving the US and two other CPTPP members, Canada and Mexico, remains ongoing. That effort involves the negotiation of an updated version of the North American Free Trade Agreement (NAFTA), the decades-old deal that has set the rules for regional trade among them and facilitated the deep interlinkages of regional value chains.

The Summit of the Americas, held this year in Lima, Peru from 13-14 April, did not bring about any concrete announcement of progress on the negotiations for an updated North American Free Trade Agreement (NAFTA), despite previous speculation that it might do so. (See Bridges Weekly, [12 April 2018](#))

Although Canadian Prime Minister Justin Trudeau and Mexican President Enrique Peña Nieto attended the summit, Trump did not participate in person, citing recent developments in the Syrian crisis. US Vice President Mike Pence attended in his stead.

Previously, reports suggested that a side meeting between the three countries' chief trade negotiators might bring the discussions closer towards a conclusion, at least for an agreement in principle. US Trade Representative (USTR) Robert Lighthizer also cancelled his attendance at the Summit, sending Deputy USTR C.J. Mahoney in his place.

In his opening address to the conference, Pence referred briefly to the status of the NAFTA negotiations, amid a wider discussion on other regional issues.

"As we speak, I'm pleased to report the United States is working very closely with Canada and Mexico to modernise the North American Free Trade Agreement. We believe we are fairly close to a deal, and we're going to be working earnestly to make that a reality for all of our nations," [said](#) Pence at a summit plenary session.

In statements reported by Reuters, Mexican Economy Secretary Ildefonso Guajardo suggested that he may be meeting with his NAFTA counterparts, US Trade Representative Robert Lighthizer and Canadian Foreign Minister Chrystia Freeland, on 19 April in Washington, following on technical meetings held among negotiators in recent days.

ICTSD reporting; "Nafta Chiefs Plan Meeting This Week Amid Push for Deal," BLOOMBERG, 11 April 2018; "No NAFTA deal in principle to be announced at Lima Summit: Sources," CNBC, 9 April 2018; "Meeting eyed for NAFTA ministers on Thursday in Washington," REUTERS, 16 April 2018; "In Lima, Vice President Pence says NAFTA deal possible in several weeks," REUTERS, 14 April 2018; "U.S. trade chief Lighthizer cancels trip to summit in Peru," REUTERS, 12 April 2018; "Trump says U.S. will only rejoin Pacific trade pact if terms are improved," REUTERS, 12 April 2018; "Trump and Japan's Abe agree to intensify trade talks," REUTERS, 19 April 2018.

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## EVENTS & RESOURCES

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# Vacancies

The International Centre for Trade and Sustainable Development (ICTSD) is looking to fill the following three vacancies.

ICTSD is hiring for the role of Director: Climate & Energy, which will be dedicated to conceptualising and implementing a comprehensive programme aimed at informing and supporting trade-related policymaking such that it advances climate action and the scale up of clean energy. The role is a full-time salaried position, with a start date as soon as possible. The deadline for applications is 30 April 2018. For additional details on responsibilities and candidate requirements, please visit the ICTSD [website](#).

ICTSD is also hiring for the role of Programme Officer: Environment and Natural Resources. This position involve work on various trade and environment issues, particularly on an agreement disciplining fisheries subsidies, as well as on topics such as biodiversity. It is a full-time, salaried position for one year, from June 2018 to June 2019, though an extension is possible, dependent on funding. The deadline for applications is 27 April 2018. For additional details on responsibilities and candidate requirements, please visit the ICTSD [website](#).

Additionally, ICTSD is hiring a Junior Associate – Agriculture, Trade, and Sustainable Development. This internship role is meant to support ICTSD's work on agricultural trade and sustainable development, including on issues such as food security, equity, and environmental sustainability. The position is for 15-40 hours per week and is open to students enrolled in university programmes in economics, law, international relations, or related fields, as well as university graduates with such degrees. The deadline for applications is 30 April 2018. For additional details on responsibilities and candidate requirements, please visit the ICTSD [website](#).

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# Events

## Coming Soon

20 April, Geneva, Switzerland. TRADE FACILITATION 2.0: ENABLING TRADE IN THE DIGITAL AGE. This event is being organised by the International Centre for Trade and Sustainable Development (ICTSD) within the framework of the UN Conference on Trade and Development (UNCTAD) E-Commerce Week. It will examine how "Trade Facilitation 2.0," with its possibilities for e-commerce, could respond to 21<sup>st</sup> century needs. To learn more about the event, visit the ICTSD [website](#).

20 April, Washington, US. BUILDING A NEW EUROPEAN INVESTMENT BANK (EIB) BOND PRODUCT IN SUPPORT OF THE GLOBAL GOALS: BUILDING A SUSTAINABLE FINANCIAL SYSTEM. This Brookings Institution event will examine the European Investment Bank's (EIB) plans to create a "sustainability bond" in order to support sustainable finance and facilitate the achievement of the Sustainable Development Goals (SDGs). The EIB is also serving as event co-host. During this meeting, a panel of development finance experts will



discuss how the new bonds will support the SDGs and climate change mitigation. For more information and to register, visit the event [website](#).

23 April, New York, US. STAKEHOLDER SESSION ON UN COMMISSION ON INTERNATIONAL TRADE LAW (UNCITRAL) INVESTOR-STATE DISPUTE SETTLEMENT (ISDS) REFORM PROCESS. A side event to the UNCITRAL negotiations, this event aims to bring together civil society members, academics, and practitioners to present their views on the issues covered at the negotiations. The event is being organised by the International Institute for Sustainable Development (IISD), the Columbia Center on Sustainable Development, and the International Institute for Environment and Development (IIED). In particular, discussions will focus on reforms to investor-state dispute settlement and various other topics related to UNCITRAL. For more information and to register, visit the event [website](#).

23-26 April, New York, US. 2018 ECOSOC FORUM ON FINANCING FOR DEVELOPMENT. This high-level forum, organised by the UN Economic and Social Council (ECOSOC) will bring together ministers, global finance executives, UN officials, international organisations, civil society, and the private sector to develop conclusions and recommendations to review of the implementation of the Addis Ababa Action Agenda. To help accomplish this goal, the forum will include panels, roundtable discussions, and debates on issues such as trade, investment, and the role of the private sector. For more information, visit the event [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 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.

19 April: Committee on Import Licensing

23 April: Committee on Customs Valuation

23 April: Committee on Safeguards

24 April: Capacity Building workshop on the notification of quantitative restrictions

24 April: Committee on Subsidies and Countervailing Measures - Special Meeting

24 April: Committee on Trade and Development – Dedicated Session on Preferential Trade Arrangements

24 April: Committee on Subsidies and Countervailing Measures

24 April: Committee on Trade and Development

25 April: Committee on Anti-Dumping Practices – Informal Group on Anti-Circumvention

25 April: Committee on Least-Developed Countries

25 April: Committee on Anti-Dumping Practices

25 April: Working Group on Trade and Transfer of Technology

26 April: Committee on Anti-Dumping Practices – Working Group on Implementation

26 April: Committee on Market Access

### Other Upcoming Events

4 June-19 August, webinar. FOURTH EDITION OF VIRTUAL INSTITUTE (VI) ONLINE COURSE ON TRADE AND POVERTY. The third edition of this course for researchers and university lecturers from developing countries and countries with economies in transition aims to provide participants with the knowledge to assess trade and related activities, specifically focusing on how they affect poverty and income distribution. The course is organised by the UN Conference on Trade and Development (UNCTAD) Virtual Institute. Organisers say that the course aims to provide participants with the skills to support domestic trade policymaking that can also facilitate the achievement of the Sustainable Development Goals (SDGs). Scholarships for this course are available; the application deadline is 13 May. For more information and to apply, visit the VI [website](#).

22-26 October, Geneva, Switzerland. WORLD INVESTMENT FORUM 2018. Over the course of 50 events including roundtables, summits, and private sector-led sessions, this annual forum, hosted by the UN Conference on Trade and Development (UNCTAD) will address global challenges for international investment in the era of globalisation and industrialisation. Stakeholders from governments, investment treaty negotiation teams, global companies, and other significant areas will come together to discuss investment-related policymaking, particularly in relation to sustainable development. For more information and to register, visit the event [website](#).

January 2019, location TBC. FIRST CARBON PRICING LEADERSHIP COALITION (CPLC) CONFERENCE. This event will be the first research conference on carbon pricing held by the Carbon Pricing Leadership Coalition (CPLC). It will bring together researchers, policy makers, and practitioners in this field, aiming for an exchange of ideas and information that can help resolve the gaps that exist between theory and existing practice. More information will be made available closer to the date. To learn more, visit the CPLC [website](#).

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## Resources

2018 STATE OF THE EU ETS REPORT. By Andrei Marcu, Emilie Alberola, Jean-Yves Caneill, Matteo Mazzoni, Stefan Schleicher, Wijnand Stoefs, Charlotte Vailles, and Domien Vangenechten. Prepared for the International Centre for Trade and Sustainable Development (ICTSD)/the European Roundtable on Climate Change and Sustainable Transition (ERCTSD), the Wegener Center for Climate and Global Change, Nomisma Energy, I4CE, and the EcoAct Group. This paper examines the EU's flagship emissions trading scheme, reviewing the current state of the system and how it aligns with its objectives. The report is available at the ICTSD [website](#).

INCUBATING POLICY FOR ECONOMIC TRANSFORMATION: LESSONS FROM NEPAL. By David Booth for the Overseas Development Institute (ODI) (April 2018). This paper examines the lessons learned from a UK Department for International Development-funded programme in Nepal, which focused on economic transformation. It notes the benefits and areas for improvement, and which aspects of the programme could be applied elsewhere. To download the full report, visit the ODI [website](#).

GETTING SKILLS RIGHT: CHILE. By the Organisation for Economic Co-operation and Development (OECD) for OECD (April 2018). This report on Chile is part of a larger series on imbalances between the supply and demand for skills. In the Chile report, the authors review the skills mismatch and its implications for individuals from different sociodemographic groups. To download the full report, visit the OECD [iLibrary](#).

FINANCING FOR DEVELOPMENT: PROGRESS AND PROSPECTS 2018. By the Inter-agency Task Force on Financing for Development for the UN (April 2018). In this report, the panel finds that development financing flows grew last year, with advances towards all action goals of the Addis Ababa Action Agenda. In evaluating the risks to this progress, the reports then offers policy options that would help the world continue to develop sustainably, particularly with respect to accomplishing the Sustainable Development Goals (SDGs). To download the complete report, visit the report [website](#).

MORE THAN SOYBEANS: TRUMP'S SECTION 301 TARIFFS AND CHINA'S RESPONSE. By Chad P. Brown for the Peterson Institute for International Economics (PIIE) (April 2018). In this policy brief, Brown examines the different sectors and industries that will be most affected by the US' application of Section 301 measures on China and a separate set of tariffs from China. The report explains, using the matching of product codes, the potential costs of these developments for both sides. To view this policy brief, visit the PIIE [website](#).

MAIN ECONOMIC INDICATORS. By the Organisation for Economic Co-operation and Development (OECD) for OECD (April 2018). Each month, the OECD publishes short-term economic statistics for the OECD countries plus six non-OECD countries. This latest selection provides comparable indicators by subject and detailed country information to allow those from a range of disciplines to analyse and make decisions. To download the report and complete statistics, visit the OECD [iLibrary](#).

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*French languages*

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