

BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 22, ISSUE 29, 13 SEPTEMBER 2018

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GLOBAL ECONOMY

EU's Juncker Calls for Advancing Suite of Trade, Economic Goals As Bloc Prepares for 2019 Transitions

EU Commission President Jean-Claude Juncker called for developing a "more united Europe" during his final State of the European Union speech, outlining a series of proposals which he said would be key to achieving this goal. He also told EU lawmakers on Wednesday 12 September that a stronger bloc will be better equipped to navigate geopolitical tensions, negotiate ambitious trade accords, and tackle threats to multilateralism.

The 28-nation bloc is due to see a series of shake-ups next year, including European Parliament elections, the selection of a new head of the European Commission, as well as the UK's official exit from the EU in late March. Meanwhile, debates are set to continue at the wider international level over how to shore up multilateralism, lower trade tensions, and modernise the global trading system so it is better equipped to deal with new challenges and a changing economy.

Speaking in Strasbourg, France, on Wednesday during the European Parliament plenary, Juncker [called](#) repeatedly for developing further a type of "European sovereignty" and solidarity that has already served in setting up the bloc's "position as a trade power."

He also said that a stronger, more unified EU would be an even better champion of the bloc's shared objectives both internally and abroad, including multilateralism and climate action. Juncker stressed that strengthening the EU's internal ties, and thus presenting a united front abroad, would be key to boost the bloc's deal-making capabilities going forward, especially in contentious situations.

"The world today needs a strong and united Europe. A Europe that works for peace, trade agreements, and stable currency relations, even as some become more prone to trade and currency wars. I am not in favour of a selfish unilateralism that defies expectations and dashes hopes," he said.

"For some, the agreement I struck with [US President Donald Trump] came as a surprise. But it should be no surprise that Europe succeeds when it speaks with one voice. When needed, Europe must act as one," said Juncker, referring to a deal he reached with the American leader in July to help lower trade tensions between the trans-Atlantic partners.

While saying that this unity was key in negotiating with the US on trade, he also credited European unity as a force that has played a key role in achieving long-term sustainable development objectives as well, such as by "defending the Paris Agreement on climate change."

Cementing trade, investment partnerships

Trade and investment policy featured heavily in the EU Commission chief's speech, with Juncker calling for the bloc to ratify its trade accord with Japan in time for a 9 May 2019 summit of European leaders in Sibiu, Romania.

The EU-Japan deal is the largest commercial pact ever negotiated by the European bloc, and was signed by leaders from both sides in July. At the time, they expressed their hope that the deal can enter into force next year. (See Bridges Weekly, [19 July 2018](#))

The Sibiu summit will take place after Brexit, which is due by 30 March 2019. EU chief negotiator Michel Barnier said this week that he hopes to have a deal agreed with his UK counterparts on the "Brexit treaty" at some point "within six or eight weeks," and suggested that this would be a realistic goal, according to comments reported by the Guardian.

Juncker, for his part, said on Wednesday that the EU's negotiators "stand ready to work day and night to reach a deal," while welcoming UK Prime Minister Theresa May's statement earlier this summer that "the starting point for such a [future] partnership should be a free trade area between the United Kingdom and the European Union."

"The United Kingdom will never be an ordinary third country for us. The United Kingdom will always be a very close neighbour and partner, in political, economic, and security terms," Juncker said.

While not officially confirmed, a special EU leaders' summit on Brexit is reportedly expected for mid-November, which could lay out the contours of the future EU-UK relationship on key topics such as trade.

That said, the effects of an exit of a major member of the European Union are still expected to ripple well beyond the European continent, having implications for the EU's trading partners and for international markets. It also poses a key test for the remaining 27 EU members as they work to shore up their union, largely deemed to be the world's most deeply integrated economic and political coalition.

Along with supporting a smooth Brexit and the ratification of the EU-Japan trade deal, Juncker said that he would like to see the EU pursue a revised, comprehensive approach to its trade and investment relationship with the African continent.

The EU currently has a series of Economic Partnership Agreements (EPAs) with different groups of African countries, usually negotiated on a regional basis. Some of these EPAs have been signed and are pending ratification; others are pending signature; and still others are provisionally in force. These trade accords are also intended to have a development and regional integration dimension in their design and application.

Juncker said on Wednesday that he would like to see a "continent-to-continent free trade agreement, as an economic partnership between equals," which would replace the region-focused accords currently in place.

A separate press release from the Commission indicated that this continent-to-continent agreement would use as a stepping stone the African Continental Free Trade Area (AfCFTA), which was launched earlier this year by over 40 countries and is now in the process of being ratified, though second-phase negotiations are still planned to address a range of outstanding issues. (See Bridges Weekly, [22 March 2018](#) and [24 May 2018](#))

"To prepare this, Economic Partnership Agreements, Free Trade Agreements including the Deep and Comprehensive Free Trade Areas on offer to the countries of North Africa, and other trade regimes with the EU should be exploited to the greatest extent, as building blocks to the benefit of the African Continental Free Trade Area," the Commission [document](#) says.

The EU Commission chief also said that the European bloc should put in place an "Alliance for Sustainable Investment and Jobs between Europe and Africa," [providing financial support](#) towards objectives such as skills training and setting up devices to lower investment risks.

Aside from the existing EPAs, the EU has preference schemes in place such as the Everything But Arms (EBA) scheme and the Generalised System of Preferences (GSP), which allows certain developing countries to sell their products to the EU without being subject to duties. Which programme a country is eligible for depends on certain factors, such as income levels. Various African countries are participants in one of these preference programmes.

EU-US trade dynamic in the background

As Juncker noted in Wednesday's speech, he had met with US President Donald Trump in July to mitigate trade tensions, with the two leaders announcing the launch of an "Executive Working Group" that would tackle topics such as WTO reform and eliminating industrial tariffs on non-automobile products, among other areas for cooperation. (See Bridges Weekly, [26 July 2018](#))

Earlier in the week, the top trade officials from the US and EU met in Brussels, Belgium, to begin charting a concrete path forward, building on the Juncker-Trump discussions. Trade tensions between the two sides had spiked earlier this year after the US imposed near-global tariffs on imported steel and aluminium and chose not to include the EU among those exempted. The two sides have also sparred publicly over the possibility of US tariffs on imported automobiles. In both cases, US officials have cited national security as a justification for imposing or considering such measures.

EU Trade Commissioner Cecilia Malmström called this week's meeting with her US counterpart "forward-looking," and said on [Twitter](#) that the two trade officials had "discussed how to move forward and identify priorities on both sides, and how to achieve concrete results in the short to medium term."

She also suggested that the two sides will be corresponding frequently through the end of the year, with another ministerial-level meeting planned for late September.

US Trade Representative (USTR) Robert Lighthizer's office issued its own statement, deeming the talks "constructive" while suggesting that ministers are hoping to endorse a set of agreed "outcomes in a number of areas" at some point this November. Non-tariff barriers and tariffs would be an important focus area, the statement continued.

He will also be notifying Congress under the Trade Promotion Authority (TPA) legislation for launching formal talks with Brussels, he said.

Details of their progress were otherwise scant, and the two statements made no mention of other priorities identified by Juncker and Trump when they met in July, such as increasing exports of liquefied natural gas (LNG) to the United States or discussing possible ways to modernise the World Trade Organization.

Along with discussing WTO reform in their bilateral working group, the two trading partners are also reviewing ideas with Japan in a trilateral format, while the EU is also discussing WTO modernisation ideas in a separate working group with China. Meanwhile, Canada is convening a potential coalition of trading partners on the same subject in late October, according to Bloomberg News.

The tensions between two major economic powers, along with the US and China imposing hefty tariffs on each other's products in a separate but parallel row, have fuelled concerns that smaller and medium-sized economies will feel the fall-out. Indeed, International Monetary Fund (IMF) Managing Director Christine Lagarde told the Financial Times this week that the US-China situation may ultimately "shock" emerging economies and that continued "uncertainty" could spiral further, to potentially damaging effect.

ICTSD reporting; "Canada Pushes Alliance to Buffer WTO Against U.S. Protectionism," BLOOMBERG, 11 September 2018; "Barnier says Brexit deal could be struck in next two months," THE GUARDIAN, 11 September 2018; "Lagarde warns of US-China trade war 'shock' to emerging markets," FINANCIAL TIMES, 11 September 2018.

CLIMATE CHANGE

Climate Negotiations: Paris Agreement "Rulebook" Inches Towards 2018 Finish Line

Negotiators are heading towards the annual UN climate conference with a tremendous workload to overcome, after an emergency effort in Bangkok to flesh out the Paris Agreement implementation guidelines closed on Sunday 9 September with "limited" and "uneven" progress.

The additional talks in the Thai capital were scheduled after mid-year negotiations under the UN Framework Convention on Climate Change (UNFCCC) in Bonn, Germany, failed to yield sufficient results on the Paris "rulebook" to be considered on track for the year-end deadline. (See Bridges Weekly, [17 May 2018](#))

Under the landmark climate agreement, reached in Paris in December 2015, all parties have committed to climate actions to limit the collective rise in global average temperatures to well below two degrees Celsius relative to pre-industrial levels, while making their best efforts to hold the increase to 1.5 degrees Celsius. (See BioRes Paris Update, [13 December 2015](#))

The details for implementing the Paris accord were left for negotiation at future talks, with the deadline set for this year's 24th Conference of the Parties (COP), taking place in Katowice, Poland, from 2-14 December.

Negotiators seek faster, balanced progress

In Bangkok, officials met in various formal and informal settings under the Ad Hoc Working Group on the Paris Agreement (APA), the Subsidiary Body for Scientific and Technological Advice (SBSTA), and the Subsidiary Body on Implementation (SBI). The three bodies are in charge of developing different aspects of the Paris Agreement Work Programme.

The six-day meeting covered a range of topics, including mitigation, adaptation, financial and technical support, cooperative market and non-market approaches, response measures, the global stocktake of countries' climate contributions, transparency, and compliance.

The talks were supported by "[tools](#)" which the APA co-chairs had prepared in August to help parties navigate the hundreds of pages of proposals and streamline them into a draft negotiating text. Negotiators went through several readings of the draft texts across the various elements but were unable to deliver a draft negotiating text, leaving Bangkok with a 307-page [compilation document](#) instead.

Parties have now [tasked](#) the chairs of the APA, SBSTA, and SBI to prepare a joint "reflections note" based on the progress made in Bangkok. Due by mid-October, the note is meant to identify ways forward, "including textual proposals," to help parties conclude the Paris rulebook. This shall be done in a "balanced and coordinated" manner, echoing parties' concerns about the uneven progress across elements to date.

"In Bangkok, there has been uneven progress on the elements of the climate change regime that countries are working towards," [said](#) Patricia Espinosa, Executive Secretary of UN Climate Change, adding that achieving balance is important since "all parts of the regime need to function together in an inter-connected manner."

Climate finance questions loom

Poorer countries were especially frustrated by the lack of progress on reaching clarity and predictability on climate finance now and in the longer term. These countries rely heavily on external support to meet their climate targets and are asking donor countries to report on their pledges every two years.

Many developed countries, however, say that they want more flexibility and less oversight on their financial contributions, and argue that their budgetary cycles make it difficult to meet the biennial reporting request.

The Bangkok talks were also overshadowed by the growing uncertainty over how countries will meet the collective commitment of channelling US\$100 billion of climate finance annually by 2020 to developing countries.

The Green Climate Fund, which is meant to be the main vehicle for allocating climate finance, urgently needs to top up its dwindling balance, a task rendered more difficult by US President Donald Trump's decision not to deliver the US\$2 billion that was pledged under his predecessor, Barack Obama.

The fund's governance is also in dire need of reform after a July board meeting collapsed, leaving 11 funding bids worth nearly US\$1 billion pending. The Green Climate Fund is due to hold another board meeting from 17-20 October in Manama, Bahrain. (See Bridges Weekly, [12 July 2018](#))

Political divisions reappear

The Bangkok session was also bogged down by the renewal of previous disagreements over countries' responsibilities in the fight against climate change – an issue that had already re-emerged during the Bonn negotiating meetings earlier this year.

The Paris Agreement was hailed for overcoming the long-standing separation of responsibilities between countries with varying developmental levels, getting all parties to commit to undertaking emissions cuts. However, some countries are now trying to include divisions of responsibility in the climate accord's operating guidelines.

Delegations disagreed particularly over the timeframes for communicating new nationally determined contributions (NDCs), which are countries' individual climate action plans. These NDCs form the cornerstone of the climate accord. Countries are divided over whether all parties should be required to adhere to common timeframes or whether developing countries should be accorded some flexibility.

What type of information parties should include in future NDCs and how countries report progress on meeting their NDCs are also contentious points, with some developing countries asking for more leniency due to their limited resources. Countries are due to have a first "global stocktake" in 2023 to report on their efforts in meeting their post-2020 climate goals and in crafting more ambitious NDCs, and are meant to do a trial review this year – known in UN jargon as a "facilitative dialogue."

Carbon market discussions make headway

The Bangkok meet made good progress on fleshing out the details for carbon market approaches under Article 6 of the Paris Agreement.

Article 6 contains general provisions on the international transfer of mitigation outcomes (Article 6.2), a mechanism that will "contribute to the mitigation of greenhouse gas emissions and support sustainable development" (Article 6.8), and non-market approaches

(6.8). However, more detailed guidelines are needed to help parties achieve emissions reductions through cooperation.

The possibility to fulfil national climate pledges through cooperative market approaches has sparked interest from countries and regions who are looking to link carbon pricing schemes to trade permits. Advocates say this could help cut emissions at a lower cost, while also addressing concerns over potential losses in economic competitiveness.

In Bangkok, parties produced [new versions](#) of the draft texts for all three elements of Article 6. The texts are now better organised, more structured, and offer clearer linkages between options.

On carbon markets “we’re better off now than going in,” said Henrik Hallgrim Eriksen, Norway’s chief climate negotiator, in comments to Bloomberg. Eriksen added that “there are many different options and possibilities” and that Bangkok was “not a meeting where things have been resolved.”

The new draft texts on Article 6 separate elements into two annexes. Annex I contains those elements which form the policy guidance for adoption at COP24, while Annex II includes the more technical elements that will be forwarded to a work programme for 2019.

Despite this progress, parties remain divided on several critical issues, including the creation of accounting standards for reporting transferred mitigation outcomes; the calculation of baselines and performance benchmarks for awarding emissions reduction units; the registering, issuance, and tracking of credits under the new mechanism; and the governance modalities.

Parties also need to reach consensus on whether and how to transition units, methodologies, and accreditation standards from the current market mechanisms under the Kyoto Protocol, which is the Paris Agreement’s predecessor. Some parties argue for their continuity to preserve private sector trust, while others warn that transitioning existing units could undermine mitigation commitments under the Paris accord.

The UN Climate Change Secretariat has recently [defended](#) the Kyoto Protocol’s Clean Development mechanism (CDM), which it claims has driven investments worth over US\$300 billion while cutting two billion tonnes of emissions. The CDM had previously come under fire from some quarters, with some experts [arguing](#) that the emissions cuts were not additional but would have taken place anyway.

Response measures talks raise trade issues

Negotiators also resumed discussions on the response measures forum, which will start serving the Paris Agreement in December 2018. The term “response measures” refers to actions that countries take to mitigate emissions, which in some cases may have economic, environmental, or social effects on other countries.

The continuation of the response measures forum was a critical element for securing the climate accord in 2015. The move to self-determined mitigation targets and measures has increased countries’ concerns about the cross-border impacts of climate measures.

The emphasis of the response measures discussion has evolved significantly from the original compensation argument, driven by developing countries, particularly major oil-exporting countries. These countries were concerned about the negative impacts of developed countries’ climate policies on the demand for and supply of their goods and services. The discussion has now shifted towards a focus on the economic and social impacts of the low-carbon transition.

Old divisions and challenges have nevertheless resurfaced in negotiations on how to structure the forum and its work going forward. Delegates added multiple options to an [informal document](#) from the May talks. The nine-page [draft decision](#) now contains an even wider range of options for the forum's modalities, work programme, and functions, as well as for the decision's preamble.

Several developing country groups and parties are arguing for expanding the scope of the forum, currently focused on economic diversification and just transition of the workforce, to include, among other things, impacts on international trade and investment, as well as value chain integration.

The consideration of trade aspects in the climate regime has traditionally been a contentious issue. While some parties have previously sought to discuss trade in the response measures forum, this has been a side topic given the reluctance of several parties to engage.

Trade considerations in the climate regime have therefore mostly focused on the reiteration of Article 3.5 of the UN Framework Convention on Climate Change, which stresses that "measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade." Some parties are now seeking to anchor this provision in the response measures forum by including it explicitly in the preamble of the forum's decision.

Parties also disagree on the governance of the forum, with one proposal seeking to establish the forum as a permanent executive committee with a negotiating and a technical arm.

Another sticking point is the attempt by some parties to give the forum a more action-oriented mandate, which would see the forum recommend specific actions for dealing with the impacts of response measures. Previous efforts to steer the forum towards such a function have been unsuccessful.

Global momentum for climate action

Avoiding catastrophic climate change beyond what the world is already witnessing today will require a significant step change from politicians, businesses, and citizens around the world. In a [speech](#) on climate change delivered on Monday 10 September, UN Secretary-General António Guterres warned that "the ambition of our action is nowhere near where it needs to be" to avoid "runaway climate change."

Citing a [UN Environment report](#) that found that the Paris pledges would deliver only one-third of the emissions cuts needed to reach the two degrees Celsius goal, Guterres called for a shift away from dirty fossil fuels towards clean energy. He also highlighted the importance of sustainable food production, greater resource efficiency, smarter infrastructure, and an end to deforestation, citing the benefits of such moves for the climate, the economy, and public health.

Guterres asked politicians to show leadership and use every opportunity in the coming months "to resolve the sticking points" to make COP24 a success.

The run-up to COP24 will be marked by a series of international meetings where the world's leaders will have the chance to mobilise the necessary political will to conclude a successful Paris rulebook. This includes the Global Climate Action Summit, hosted by California's governor Jerry Brown in mid-September, followed by the UN General Assembly, New York Climate Week, and the G7 environment ministerial later this month, as well as the October pre-COP.

The pre-COP is an informal ministerial meeting that regularly takes place as part of the COP preparations to lay the political groundwork.

Climate action discussions may also feature at the G20 leaders' summit, set for 30 November-1 December in Buenos Aires, Argentina. Separately, the inaugural New Economy Forum, being held in Singapore from 6-7 November and hosted by climate action advocate, philanthropist, and former New York City mayor Michael Bloomberg, has listed [climate change](#) as one of its main topics and is expected to have a high-level slate of public and private sector attendees.

ICTSD reporting; "Summary of the Bangkok Climate Change Conference: 4-9 September 2018," EARTH NEGOTIATIONS BULLETIN, 12 September 2018; "Climate Talks in Bangkok Hit Hurdle Over Financial Pledge," BLOOMBERG, 10 September 2018; "Bangkok Talks Make Modest Advances, Increasing Pressure for Success in Katowice," IETA, 10 September 2018; "UN climate fund chief resigns for personal reasons while board meeting collapses," CLIMATE HOME NEWS, 4 July 2018.

TRADE AGREEMENTS

US, Canada Ramp Up NAFTA Negotiating Pace After US-Mexico Draft Deal

Negotiators from the US and Canada have met repeatedly over the past fortnight, including this week, in the hopes of finalising a deal to modernise the North American Free Trade Agreement (NAFTA) after Washington announced that it had reached a bilateral accord with Mexico, the other NAFTA party.

Leaders from the US and Mexico announced on 27 August that their negotiators had clinched a preliminary deal, following one year of formal negotiations to update the North American Free Trade Agreement (NAFTA). US President Donald Trump has since filed a notice of intent to Congress of his plans to sign the deal with Mexico, "and Canada, if it is willing," by the end of November.

Whether Canada, the third NAFTA partner, will take part in the revised deal remains the subject of open speculation, given the various sticking points that reportedly remain in the negotiations. Mexico and the US spent much of July and August negotiating bilaterally without Canada, tackling subjects such as how to handle rules-of-origin for automobile trade.

According to comments reported by Politico, Canadian Foreign Affairs Minister Chrystia Freeland has lately stated that talks between Ottawa and Washington are now in "a continuous negotiation phase," while expressing optimism that a trilateral deal is within reach.

The three parties had previously aimed to clinch a trilateral deal ahead of Mexico's general election on 1 July, though this was an informal target, and not the first that they have missed since launching negotiations last year. The US-Mexico announcement means that outgoing Mexican President Enrique Peña Nieto will be able to sign the deal before leaving office in early December. He will be succeeded by President-elect Andrés Manuel López Obrador.

Mexico-US text: preliminary details emerge

Auto parts and their rules of origin were a key issue for US and Mexico negotiators in the final days and hours, and had been credited as being one of the most challenging subjects in the negotiations overall.

Under the original NAFTA, 62.5 percent of automobiles had to be manufactured using regional content. Under the revised agreement, the US' proposed target was 75 percent, with an additional 70 percent of all steel components to originate from the region.

Moreover, the two sides have [agreed](#) to derive between 40 and 45 percent of the overall value of each car from high-wage jurisdictions, where employees make a minimum salary of US\$16 an hour, which had been flagged by Mexican negotiators as a challenging hurdle to overcome given wage disparities between and within the North American nations.

A separate [factsheet](#) published by the Office of the US Trade Representative also touts a series of other provisions in the preliminary US-Mexico deal, praising its anti-corruption and trade enforcement terms.

It also highlights the planned deal's provisions to tackle theft of trade secrets; its various provisions on copyright protections; rules on geographical indications (GIs) for several foodstuffs, such as "comprehensive standards for protection against issuances of GIs that would prevent United States producers from using common names"; and a chapter on digital trade that would institute a moratorium on duties on electronic transmissions, among other provisions.

The factsheet also says that the US and Mexico have agreed to robust standards on labour and environmental protections, such as protecting workers' rights for collective bargaining or tackling illegal wildlife trade, while claiming that these rules will be "fully enforceable." It does not clarify whether these chapters are subject to dispute settlement or how they would be otherwise enforced.

Dairy, trade remedies dispute mechanism take centre stage in US-Canada talks

Canada and the US have their own challenges to overcome as bilateral negotiations continue over issues such as dairy policy and a dispute settlement chapter focused on trade remedies, as well as conflicting views on intellectual property rights protections for pharmaceuticals and enshrining into NAFTA an exemption for Canada's cultural industries.

The US has said that it would like to see Canada allow for increased dairy market access. Dairy production approaches have historically differed widely on both sides of the border, as the US still provides state aid to dairy farmers while Canada uses a supply management system involving minimum price thresholds, production controls, and other measures.

Some US farm groups, as well as US Agriculture Secretary Sonny Perdue, have stressed that improved dairy market access in Canada will be key going forward. Canadian Prime Minister Justin Trudeau has pledged to keep his country's supply management system intact, while indicating some negotiating flexibility to answer the US' market access concerns, according to comments reported by Global News.

In addition, NAFTA's Chapter 19 special appeals process on the imposition of anti-dumping and countervailing duties also remains a contentious subject for the two countries. While the US has pushed for dropping the chapter, it remains to be seen whether a revised version of the system will be enacted, or if it will be eliminated entirely. Trudeau has been adamant that the trade remedies dispute settlement rules must remain in place in order to ensure strong trade law enforcement.

Stakeholders share mixed views of US-Mexico deal, lawmakers question TPA compatibility

News of the US-Mexico preliminary deal has drawn a mixed reaction from key stakeholders, indicating a challenging road ahead for enacting the trade agreement into law. Many US lawmakers, for example, have been hesitant to welcome the deal until Canada's level of involvement is made clear.

"Preserving and improving NAFTA will ensure that American families will continue to benefit from lower prices, better jobs and increased productivity, while also ensuring that the 25-year-old agreement maintains the leadership of American businesses, manufacturers, farmers and ranchers. To achieve that goal, a final agreement should include Canada," [said](#) Orrin Hatch, the Utah Republican who chairs the Senate Finance Committee, upon news of the US-Mexico deal.

Ron Wyden, the Oregon Democratic Senator who serves as ranking member on the same panel, [called](#) the US-Mexico deal "half-baked" last week while insisting that the final version must include Canada.

"You can't fix NAFTA without fixing issues with Canada: from dairy and wine to red tape on small shipments and new digital commitments, to eliminating NAFTA's unconstitutional review of our trade remedy laws that has benefited Canada, and more. Cutting Canada out is surrendering on these issues," he said on 4 September.

While Trump and Peña Nieto could sign a deal before December, US lawmakers will not be able to vote on the new deal until 2020, when a new Congress takes office. Trump has also hinted repeatedly that pulling out of NAFTA remains a possible backup plan, should the process falter.

Should the US move forward bilaterally with Mexico, questions have also emerged from some American lawmakers as to whether this would be in line with how the NAFTA negotiations were notified under Trade Promotion Authority (TPA).

This is the legislation which delegates trade negotiations to the US executive branch, subject to negotiating objectives outlined by Congress and to various consultation, transparency, and notification requirements. It also allows for final negotiated trade accords to be subject to "fast track" voting procedures, where deals are given a straight up-or-down vote without amendments, so long as they are in line with TPA.

According to a blog post by Peterson Institute for International Economics (PIIE) non-resident senior fellow Gary Clyde Hufbauer, this [could become](#) even more contentious depending on the results of the US midterms, should Democrats take power in one or both chambers of Congress, given that new leadership could argue that TPA does not apply to a bilateral US-Mexico deal.

ICTSD reporting; "Will Chapter 19 kill NAFTA? Time is running out to find solution," FINANCIAL POST, 6 September 2018; "NAFTA dairy talks not about axing supply management but studying 'the bigger picture': Republican," GLOBAL NEWS, 9 September 2018; "Canada needs NAFTA's Chapter 19 to protect against rule-breaker Trump: Trudeau," GLOBAL NEWS, 5 September 2018; "Dow chief, NAM leader talk about trade, tariffs," CRAIN'S, 9 September 2018.

DISPUTES

WTO Appellate Body Prepares for Reduced Slate of Judges By Month's End

The WTO's highest court is set to have only three judges on its roster by the end of this month, after the US formally objected in late August to the reappointment of a current Appellate Body member for a second term.

During a late August meeting of the Dispute Settlement Body (DSB), the US [said](#) that its objection to Shree Baboo Chekitan Servansing's reappointment was "no reflection of any one individual but reflects our principled concerns," namely regarding the Appellate Body's alleged "disregard for the rules set by WTO members."

According to a Geneva trade official, WTO members debated several procedural and substantive aspects of the Appellate Body's past work at the meeting, and various members asked the US to submit detailed proposals for members' consideration on how to unblock the selection process.

With Servansing's term now due to end on 30 September, the Appellate Body will be down to the minimum number of judges to sign off on any dispute report, even as appeals continue to pile up. The WTO's highest adjudicative body is designed to have a roster of seven judges, each serving a four-year term that is renewable once.

According to the organisation's dispute settlement rules, WTO members shall fill empty slots on the Appellate Body "as they arise," which requires consensus. The US has been blocking proposals to resume selecting judges to fill these vacancies since August 2017, citing "systemic" issues with the court's functioning, even with 67 WTO members now backing a proposal to start choosing new Appellate Body members.

Appellate Body Chair Ujal Singh Bhatia warned earlier this year that a continued impasse would leave the organisation's dispute settlement arm "profoundly" altered. "Any losing party could prevent the adoption of the panel report by appealing it to a paralysed Appellate Body," he said at the time, essentially turning the WTO's dispute settlement mechanism into a non-binding system. (See Bridges Weekly, [28 June 2018](#))

US expresses additional concerns

At the August DSB meeting, the US outlined a series of concerns with how the WTO's dispute settlement arm functions, reiterating some past claims while also outlining some other issues in further detail.

For example, Washington has previously criticised the Appellate Body for allowing judges whose terms have expired finish their work on cases they were already serving on, which is something that is not part of the WTO's established law, but instead part of the Appellate Body's Working Procedures. The US has also alleged that the Appellate Body had continuously disregarded the 90-day mandatory deadline for appeals. The US argues instead that the Appellate Body should consult dispute parties over extending the timeframe for reviewing and ruling on an appeal, rather than just informing them that the Appellate Body will not be able to stick to the 90-day timeframe envisioned in WTO rules.

The United States has also faulted the Appellate Body for allegedly making advisory opinions which Washington says are not needed to resolve the case at hand, along with

criticising the Appellate Body's approach to reviewing facts in a dispute and treating its reports as setting precedent for adjudicating future cases.

At the latest DSB meeting, Washington gave an extensive description of its views on how the Appellate Body should treat the scope of its work. Under WTO law, the Appellate Body generally reviews questions relating to law or legal interpretation and not the factual findings of a previous panel ruling. However, the US claims that "the Appellate Body has consistently reviewed and even reversed panel fact-finding" and has "done so under different legal standards it has had to invent."

"The invention of an authority to review panel fact-finding, contrary to the DSU, has added complexity, duplication, and delay to every WTO dispute. Second, we explain that the Appellate Body has compounded the error by asserting that it can review panel findings concerning the meaning of a member's municipal law which is the key fact to be demonstrated in any dispute," the US said.

In previous appeals, parties have often claimed that relevant panels had failed to make an objective assessment of the matter at hand in the disputes – including "an objective assessment of the facts of the case and the applicability of and conformity with the relevant covered agreements" – as required by WTO dispute settlement rules, and have sought an Appellate Body review.

According to the WTO Analytical Index, the Appellate Body has [held](#) repeatedly that "it will not 'interfere lightly' with a panel's fact-finding authority," and it would not just disagree with a panel's findings solely because the Appellate Body "might have reached a different factual finding from the one the panel reached." Therefore, the panel would be faulted only when it "has exceeded its authority as the trier of the facts," according to the Analytical Index's report, which quoted the Appellate Body's ruling in the Airbus subsidy dispute.

During the DSB meeting, while some members noted that the Appellate Body's role is limited to legal matters and the Appellate Body should be careful in how it addresses factual reviews, others indicated that the distinction could be hard to make. The European Union also took the floor and said the Appellate Body had fully respected WTO law, according to a Geneva trade official.

The US has also argued that some of the Appellate Body's substantive interpretations in certain disputes have had the effect of "adding or diminishing rights and obligations" of WTO members.

Any solutions?

While experts and some WTO members have questioned the link the US has made between the selection process for Appellate Body judges and the concerns over how the dispute system operates, there is an ongoing debate in trade circles over possible options that could resolve the US' concerns and simultaneously improve the WTO dispute settlement system, while preserving its main features and principles.

Any changes to WTO dispute settlement rules require consensus among the membership, and the Appellate Body issue is expected to remain a subject of debate both at DSB meetings as well as in working groups outside the WTO among certain groups of members.

For instance, a [background note](#) prepared by the European Commission [for the European Council's consideration](#) and published by Bloomberg BNA contains a package of suggestions. For example, the note suggests revising the WTO's dispute settlement rules to make sure dispute parties are consulted should the Appellate Body need to extend an appeals review timeframe, along with suggesting that members create rules on how to deal with situations where a judge's term is due to expire while still working on a case. Other suggestions include giving Appellate Body members a single, longer term, along with having

further talks on some of the US' "substantive" complaints, such as on whether to update other WTO rules.

The larger context

How the Appellate Body impasse may play into other global trade issues is a subject of intense discussion in trade circles, given the proliferation of unilateral measures by some major economies, as well as the criticisms that the White House has lobbed at the global trade clubs.

For example, President Donald Trump has reiterated his frustration with WTO in recent weeks, claiming that Washington has received unfair treatment despite being one of the organisation's founding members. Trump told Bloomberg News last month that "if they don't shape up, I would withdraw from the WTO," a claim he has made in the past.

However, various domestic legal analysts have pointed out that Section 125(b)(1) of the [Uruguay Round Agreements Act](#) (URAA), which enshrined WTO rules into US domestic law, says as a "General Rule" that "the approval of the Congress, provided under section 101(a), of the WTO Agreement shall cease to be effective if, and only if, a joint resolution described in subsection (c) is enacted into law," in line with certain "procedural provisions" outlined in the following paragraph. That resolution would need to be passed by Congress.

ICTSD reporting; "Trump Threatens to Pull U.S. Out of WTO If It Doesn't 'Shape Up'," BLOOMBERG, 30 August 2018.

DISPUTES

WTO Disputes on Australia Plain Packaging, EU Airbus Subsidies Enter Next Phase

Geneva delegates working on WTO disputes had a busy month of August, advancing a series of cases to the next stage that cover topics such as Australia's policy on plain packaging for tobacco products and the EU's subsidies for Airbus, the aerospace industry giant. China also filed a series of new cases last month, two of which challenge certain aspects of US policies regarding its renewable energy sector.

Compliance panel set to review EU changes to aerospace subsidy policy

On the long-running Airbus case, the WTO's Dispute Settlement Body (DSB) agreed in late August to establish another compliance panel to review the EU's latest changes to its government support for Airbus and see if these are in line with global trade rules.

The case ([DS316](#)) was originally launched by the United States in 2004, while the EU has its own disputes against the US regarding the latter's support for Boeing. The Airbus and Boeing cases are famous both for the massive commercial scale of the sector involved, as well as for the sheer length and complexity of the adjudicative process.

The WTO's Appellate Body had confirmed that the EU and US each violated some aspects of global trade rules in their support to their respective aerospace sectors. The cases subsequently entered the compliance phase, where the global trade arbiter was asked to review whether the EU's and US' changes to their policies were sufficient to bring them in line with WTO rules. For the US case on Boeing, an Appellate Body is still reviewing compliance ([DS353](#)).

In May, the Appellate Body found that the revised EU measures still constitute subsidies to Airbus and have caused "adverse effects" to the US' interests. Shortly thereafter, the EU notified the DSB that it had withdrawn the remaining subsidies and worked on ameliorating the adverse effects, declaring that its policies were now fully in line with WTO rules—a claim that the US countered. (See Bridges Weekly, [17 May 2018](#))

In July, Washington then asked the arbitrator to resume its work to assess the level of countermeasures that the United States is allowed to put in place. Meanwhile, Brussels submitted a consultations request and subsequently asked twice for another compliance panel to review whether the new changes are enough to resolve the remaining issues.

If full compliance is found in this new compliance proceeding, the DSB's authorisations for countermeasures would lapse "by operation of law," as [confirmed](#) by past WTO law practice.

Australia tobacco packaging dispute: two reports appealed, two adopted

Separately, the DSB last month adopted two panel reports in the disputes filed by Cuba ([DS458](#)) and Indonesia ([DS467](#)) concerning Australia's tobacco packaging policy, while Honduras ([DS435](#)) and the Dominican Republic ([DS441](#)) have appealed the reports in their respective cases.

Those reports are the result of years of litigation between Canberra and the four countries, while ultimately saw Australia win a victory on all complaints earlier this year, in what was greeted by proponents as a powerful affirmation of the country's approach to tackling the public health risks posed by tobacco. Australia's plain packaging policies set strict rules on how tobacco products can be sold, such as by prohibiting the use of logos or other promotional images, while requiring graphic public health warnings and uniform sizing and colouring for those same packages.

A dispute panel ruled in June that when evaluating the policies in tandem with Australia's various other tobacco control measures, it was clear that Canberra's policies were within the boundaries set by global trade rules. (See Bridges Weekly, [5 July 2018](#))

Honduras' appeal, filed in July, targeted the panel's findings under the WTO's Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and the Agreement on Technical Barriers to Trade (TBT Agreement).

For example, Honduras contested the panel's interpretations of particular legal terms in those agreements and how the panel approached their legal applications, and has asked the Appellate Body to reverse those findings. Honduras also argues that the panel failed to make an objective examination of the evidence on how plain packaging help lower demand for tobacco products, and thus disagreed with the panel's findings that Australian measures were not unjustifiable and "not more trade-restrictive than necessary" for the stated objective.

One month later, the Dominican Republic also requested an Appellate Body review, incorporating by reference the claims made by Honduras. While Cuba and Indonesia did not appeal, leading to those panel reports being adopted at August DSB session, those two countries did make interventions criticising the panel's findings.

"As a result of the panel's decision, plain packaging requirements may now be applied to alcoholic beverages for religious or moral reasons," said Indonesia, according to a Geneva trade official. This dispute signals "the beginning of a slippery slope to fundamental disruption of global consumer markets."

Australia, for its part, stated that its measures have the backing of top experts in the public health field, including from the UN's top health agency, the World Health Organization. Furthermore, Australia noted that several other WTO members are working to enact their own versions of plain packaging as part of their public health policies.

Regarding the new appeals, Australia said that "we remain firmly committed to defending our legitimate public health measure in those appellate proceedings."

China challenges US financial incentives in renewable energy sector

In mid-August, China filed a case ([DS563](#)) targeting financial incentive programmes maintained by select US states and one major city – namely, the states of Washington, California, and Michigan, as well as the City of Los Angeles. These programmes, China says, encourage the installation and use of systems that generate and distribute renewable energy.

China listed five packages of US policies that it says take the form of investment cost recovery, financial incentives for installation, renewable energy credits, or fixed rates for transmitted electricity. Under each policy, China claims that the use of domestically manufactured resources, such as locally-produced solar photovoltaic modules, is a condition for accessing extra financial incentives.

China claims that those measures violate the US' non-discrimination obligations, and are prohibited subsidies under WTO law.

This is not the first time that the US has faced a WTO challenge on its renewable energy policies. India submitted a similar complaint ([DS510](#)) in 2016, and a panel was composed five months ago to hear the dispute, where China is also a third party.

Last month, China also challenged ([DS562](#)) the US' safeguard tariffs on solar cells and modules, which Washington imposed in January. WTO rules allow for the use of safeguards, subject to certain conditions, in cases of sudden increases in imports that either do or could negatively affect a country's domestic industries. However, China argues that the US safeguard tariffs were applied in a way that violate certain substantive and procedural requirements, and also run afoul of the US' non-discrimination and transparency obligations under the General Agreement on Tariffs and Trade (GATT).

Regarding this US safeguard measure, several WTO members, such as the EU and various Asian economies, have [requested](#) consultations with the US involving the WTO's Committee on Safeguards, given that WTO rules envision that a member applying safeguards must provide adequate compensation for exporting members whose products would take a hit. Details of this compensation are meant to be sorted out during those talks. (See Bridges Weekly, [25 January 2018](#))

Without an agreement on terms, those exporting members would have the right to suspend their tariff concessions or other GATT 1994 obligations, though this must be done within a set timeframe.

In April, after consultations failed to lead to agreed compensation, China, Japan, and South Korea each [notified](#) the Goods Council about their proposed suspensions of concessions, each of which are set to take effect within three years, though the exact details vary. They also mention that these could come into force sooner if WTO dispute proceedings determine that the US safeguards are indeed violations of global trade rules.

In parallel, South Korea filed a WTO dispute ([DS545](#)) in May on those safeguard measures, and subsequently submitted a panel request in August, when China filed a similar dispute on the subject. While the first request was blocked by the US, a second request from Seoul would lead to a panel automatically being established.

ICTSD reporting.

ASIA-PACIFIC

Asia-Pacific Officials Lay Groundwork for High-Level Autumn Meetings

The coming months are due to see high levels of activity on trade in the Asia-Pacific, as different country coalitions work to make progress on their respective agendas for regional economic integration. This includes upcoming meetings of the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC) Forum, both of which have leaders' summits scheduled in November.

Also in the spotlight are negotiations to finalise the Regional Comprehensive Economic Partnership (RCEP), along with the domestic ratification processes to bring the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP or TPP-11) into force.

ASEAN looks for deeper cooperation amid "global uncertainties"

As a regional intergovernmental organisation, ASEAN sets economic and trade integration objectives for a 10-country coalition: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

Singapore, which chairs the grouping this year, has named among its priorities services integration and investment, energy security, greater trade with non-members, digital economy, and trade facilitation.

In a [joint statement](#) following an ASEAN economic ministers' (AEM) meeting, held on 29 August, officials stressed the importance of the digital economy and e-commerce as a "long-term competitiveness" driver "amidst the threat of escalating trade tensions and continued global uncertainties."

They also discussed further implementation of the [ASEAN Economic Community Blueprint 2025](#), which was adopted in 2015. The document calls for achieving the following five goals by 2025: "(i) a highly integrated and cohesive economy; (ii) a competitive, innovative, and dynamic ASEAN; (iii) enhanced connectivity and sectoral cooperation; (iv) a resilient, inclusive, people-oriented, and people-centred ASEAN; and (v) a global ASEAN."

Experts warn that the ongoing trade tensions between the US and China could have implications for ASEAN members' exports, given that some key regionally-produced goods such as electronics and machinery make up nearly one-fifth of the coalition's exports to those countries, according to statistics cited by the Nikkei Asian Review. As a result, they say that this could hamper ASEAN's efforts to achieve the ASEAN Economic Community Blueprint 2025 targets.

In addition, ASEAN members have also highlighted their interest in boosting connectivity with regional trade partners via the RCEP negotiations. The RCEP is a planned trade deal involving ASEAN members and six key trading partners, specifically Australia, China, India, Japan, New Zealand, and South Korea. The group's members [make up](#) almost 40 percent of global GDP, therefore covering a significant portion of the world economy.

Negotiations for the ASEAN-led trade pact, whose membership overlaps partially with the CPTPP, were launched in November 2012, with officials holding 23 rounds of negotiations in the six years since.

Given that some RCEP economies are due to launch domestic electoral processes, ministers said in July that they hoped to boost their negotiating momentum in order to endorse a "package" of outcomes by year's end. (See Bridges Weekly, [5 July 2018](#))

Singaporean Trade and Industry Minister Chan Chun Sing [highlighted this objective](#) at the ASEAN economic ministers' meeting, saying on 1 September that while "broad agreement is in sight," the RCEP members "must exercise shared and strong collective will and shoulder the common responsibility to bring negotiations to substantial conclusion by end-2018."

RCEP ministers had met from 30-31 August in Singapore, in parallel with the ASEAN meet, to take stock of their progress to date. They also adopted "a package of year-end deliverables," setting out targets for 2018, according to a [joint media statement](#) released at the event's close.

Officials speaking to the Mainichi news outlet said that the package sets targets for reaching outcomes in goods and services market access, along with advances in other negotiating areas such as investment and intellectual property rights. However, reports indicate that several challenges remain in overcoming some negotiating red lines. The next round of the RCEP negotiations is slated for October this year, a few weeks before the ASEAN leaders' summit in November.

In parallel, the CPTPP is undergoing ratification at the domestic level, with officials suggesting that the mega-regional accord could enter into force by next year if this pace continues. The two deals, while often compared given their overlapping membership and regional focus, have some significant differences in approach and focus. Experts have debated which accord may spur greater interest from international investors, and which one may be more likely to serve as a template for future trade rules in the broader Asia-Pacific region.

APEC officials look to advance trade and development targets

At another forum for Asia-Pacific economies, APEC senior officials met in Port Moresby, Papua New Guinea, from 19-20 August. Sources familiar with the meeting say that trade representatives made headway on implementation of the 2016 [Lima Declaration](#) on a Free Trade Area of the Asia-Pacific (FTAAP), trade in services, and trade facilitation. The senior officials meeting (SOM) was preceded by two weeks of meetings focused on trade.

The above-mentioned gatherings were also meant to set the stage for the upcoming APEC Ministers' Meeting and APEC Economic Leaders' Meetings, both of which are scheduled for November.

According to [Ivan Pomaleu](#), who serves as Papua New Guinea's Ambassador to APEC and was the SOM Chair, countries were able to reach "significant deliverables" when they met in late August. An APEC-published summary of his remarks said that participants worked "to take stock of APEC's work, in relation to sustainable and inclusive resource development, identify emerging issues, assess potential impacts, and identify prospective work for the future in different sectors."

APEC country officials discussed progress on the implementation of different initiatives related to export subsidies, transparency, and the realisation of a far-reaching accord that would link these 21 Pacific economies – the above-mentioned FTAAP. Officials also expressed support for a multilateral trading system and inclusive growth, and highlighted the role of digital economy and e-commerce, sources say.

Officials reportedly endorsed APEC cross-cutting principles on non-tariff measures, and are said to be looking to finalise non-binding principles for domestic regulation of the services sector. As for the digital economy and e-commerce, the main challenge for the coalition is how to implement the APEC Internet and Digital Economy Roadmap, which was adopted last year and has been a key discussion point in meetings since.

Overall, trade liberalisation and investment development will continue to be one of the main driving forces of the APEC region. Although the RCEP takes a different approach to some trade policy areas, relative to the CPTPP, some experts say that both mega-regional trade pacts could serve as useful starting points for a multilateral trade area, the FTAAP. According to a 2014 [working paper](#) published by the Asian Development Bank (ADB), these processes could help the region's economy evolve from a "spaghetti bowl" of overlapping trade rules and regulations to a more structured system, which they refer to as a "jigsaw puzzle."

Asia-Pacific economies have long said that boosting economic growth and facilitating trade is a top priority for their region, which has already seen economic growth overall [multiply](#) significantly since the APEC coalition was formed in 1989.

ICTSD reporting; "Economic priorities for Singapore as ASEAN chair," THE STRAITS TIMES, 18 January, 2018; "US-China trade row spells pain and gains for ASEAN," NIKKEI ASIAN REVIEW, 8 April, 2018; "India's steel ministry opposes inclusion of finished products in RCEP - Economic Times," REUTERS, 21 August, 2018; "How An Australia-Canada-Japan Led TPP-11 Trade Deal Compares To China's Alternative," FORBES, 13 March, 2018; "RCEP ministers OK package of deliverables to be reached by year-end," THE MAINICHI, 1 September, 2018.

ENVIRONMENT

Efforts Get Underway to Consider Potential Global Environment Treaty Negotiations

A United Nations process that could lead to negotiations for an international environmental treaty is beginning to get underway, with a working group meeting held last week and a major report from UN Secretary-General António Guterres due before year's end.

"Our demands for food, water, and energy are too high. And they will only rise, as our global population grows," [said](#) Miroslav Lajčák, the Slovak Minister of Foreign and European Affairs who currently serves as the UN General Assembly President. Lajčák was speaking last week at the start of the working group meeting, held in New York at UN headquarters.

He also warned of the dangers of a rapidly warming planet, as well as marine pollution, warning that the world is "on track for an entire ecosystem collapse."

Chronicling the various environmental conferences and programmes that have emerged in recent years, ranging from the launch of the UN Environment Programme in 1972 to the adoption of the UN Sustainable Development Goals (SDGs) and Paris Climate Agreement in 2015, he credited the work so far as "a very strong basis for action."

However, he added that a "Global Pact for the Environment... has the potential to create more coherence and integration among our various agreements and mechanisms," using current systems, frameworks, and norms to leverage new momentum to address environmental concerns while adapting to shifts in the global economy.

Possible 2019 deliverables?

The working group process is being chaired jointly by Portuguese Ambassador to the UN Francisco António Duarte Lopes and Lebanese Ambassador to the UN Amal Mudallali, who were asked to take on these roles earlier this year.

Back in May, the UN General Assembly endorsed a resolution entitled "Towards a Global Pact for the Environment," directing Guterres to submit at the Assembly's next session "a technical and evidence-based report that identifies and assesses possible gaps in international environmental law and environment-related instruments with a view to strengthening their implementation."

The General Assembly's session this month begins on 18 September and concludes on 5 October. However, Guterres' publication is now due for submission in November, according to reports from last week's working group meeting.

The May 2018 resolution also outlines how the working group should be set up, along with the potential for "substantive sessions" in the Kenyan capital city of Nairobi, which is also where the headquarters of UN Environment is based. The resolution also suggested the possibility of an intergovernmental conference early next year that could consider, and potentially sign off on, an "international instrument" that would aim to resolve gaps in existing legal frameworks on environmental issues.

According to a meeting [summary](#) from the International Institute for Sustainable Development (IISD), these substantive sessions are now due to begin in January, with subsequent meetings planned at two-month intervals through next May.

Supporters of the global environment pact suggest that it could help create a stronger legal framework for internationally agreed environmental norms, given that many landmark achievements in this field are, in actuality, lacking in enforcement mechanisms, and may also have overlapping elements or may instead be inconsistent with each other.

Delegations will likely have to navigate, however, some of the same challenges that have emerged during other environmental-focused talks at the international level, such as how such an accord will allocate responsibilities among countries at different developmental levels.

The proposal for an international environmental agreement was first submitted by French President Emmanuel Macron for UN consideration a year ago, as the culmination of an expert-led process spanning multiple meetings and inputs from participants based around the globe.

That process was chaired by Laurent Fabius, the French official who presided over the Conference of the Parties (COP) of the UN Framework Convention on Climate Change (UNFCCC) when the landmark Paris Agreement on climate change was adopted. Fabius, who was the country's prime minister from 1984-1986, now heads France's Constitutional Court.

The expert coalition came up with a [white paper](#) and [draft accord](#), which they describe as being based on the following principles: "duties of prevention and remediation of environmental damage, the right to information and participation in environmental decision-making, and the right of access to environmental justice."

International environmental landscape

The global environment pact talks come amid a flurry of environmental activity on the international stage, which is due to continue throughout 2018 and into 2019.

Currently, UN negotiators are meeting for the first session of an intergovernmental conference focused on crafting an international treaty on marine biodiversity in the high seas, with the resulting instrument meant to have binding legal force. That first session is due to conclude on 17 September, with more meetings planned in 2019 and 2020. That final instrument would be housed under the UN Convention on the Law of the Sea (UNCLOS).

Meanwhile, a separate UN process to craft a "rulebook" to put into operation the Paris climate accord continues, with negotiators wrapping up several days of meetings in Bangkok, Thailand, with mixed results, and a generally shared view that much heavy lifting remains if they are to conclude those efforts when they reconvene later this year in Katowice, Poland, for the UNFCCC's annual Conference of the Parties (COP). (For more on the UN climate talks, see related story, this edition)

In addition, this month's UN General Assembly will also feature a series of events related to climate action and the Sustainable Development Goals, known otherwise as the global goals, as well as a high-level event on financing sustainable development objectives.

ICTSD reporting; "Delegates Set Agenda for First Session on Global Pact for Environment," IISD SDG KNOWLEDGE HUB, 11 September 2018; "Governments Commence Organizational Work on Global Pact for Environment," IISD SDG KNOWLEDGE HUB, 6 September 2018.

EVENTS & RESOURCES

Events

Coming Soon

17 September, Washington, US. JAPAN IN ASIA: ECONOMIC DIPLOMACY IN THE NEW GEOPOLITICS. This Brookings Institution event will focus on various facets of Japan's economic relations with major regional partners, including trade deals such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP), as well as its potential interest in the Belt and Road Initiative. To learn more and to register, visit the Brookings [website](#).

17 September, Geneva, Switzerland. INNOVATION FOR SDGs IN FRANCOPHONE COUNTRIES. This event, organised by the Représentation de l'Organisation Internationale de la Francophonie (OIF) à l'ONU, will feature a series of high-level speakers who will discuss different facets of the Sustainable Development Goals (SDGs), with a focus on innovation, and what they mean for French-speaking countries. The event will be held at the Palais des Nations in Geneva in Room XVIII. A speakers' list is available [online](#). Please note that registration is required to attend. To register, visit the following [link](#).

18 September, Brussels, Belgium. EU LONG-TERM CLIMATE STRATEGY: THE BUSINESS PERSPECTIVE. This event, organised by the International Centre for Trade and Sustainable Development (ICTSD)/European Roundtable on Climate Change and Sustainable Transition (ERCST) and Bruegel, will focus on the results of a joint project focused on the EU's long-term climate strategy, given the expected release of a proposed strategy this November from the European Commission. Please note that event attendance is by invitation only. More information is available at the ICTSD [website](#).

18 September, London, United Kingdom, and online. FINANCING THE END OF EXTREME POVERTY. This event is being organised by the Overseas Development Institute (ODI) and will examine current efforts towards ending extreme poverty by 2030, as called for under the UN's Sustainable Development Goals (SDGs). Speakers will also examine where the international aid community can provide additional support towards these efforts. The event can be attended in person at ODI headquarters or online via the live stream. To learn more and to register, visit the ODI [website](#).

19 September, London, United Kingdom. GLOBAL TRADE LANDSCAPE SERIES 2018: TECHNOLOGICAL TRANSITIONS AND THE FUTURE OF GLOBAL TRADE. This Chatham House event, which is open to its corporate members, will feature a panel of experts reviewing how technological evolution may affect different aspects of international trade in the years to come. The meeting is the last in a series devoted to the "global trade landscape." To learn more, visit the Chatham House [website](#).

20 September, Geneva, Switzerland. LAUNCH: SME COMPETITIVENESS OUTLOOK 2018. The International Trade Centre (ITC) will be launching the latest edition of its SME Competitiveness Outlook, with this year's version focusing on "Business Ecosystems for the Digital Age." SMEs stands for small and medium-sized enterprises. The launch will be held at the World Trade Organization headquarters. Further details and past editions of the Outlook are available online. To learn more and to register, visit the ITC [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.

14 September: Sub-Committee on Least-Developed Countries

14 September: Trade Policy Review Body – Chinese Taipei

14 September: Informal Committee on Safeguards

17 September: Informal Open-ended Negotiating Group on Rules (Fisheries Subsidies)

18 September: Committee on Regional Trade Agreements

18 September: Informal Open-ended Committee on Trade and Development – Session on Aid for Trade

19 September: Committee on Regional Trade Agreements

20 September: Informal Committee on Technical Barriers to Trade

Other Upcoming Events

24 September-30 November, online. GREEN JOBS FOR SUSTAINABLE DEVELOPMENT: CONCEPTS AND PRACTICES. This online course is organised by the International Training Centre of the International Labour Organization (ITC-ILO) and is designed to give participants a common framework for understanding the different facets of "green jobs," including through a study of ILO's agenda and ongoing work involving this field. Topics for discussion include current challenges in this field, key definitions, different examples of green jobs, and policy approaches across different levels of government. Participants can take the course in either English or Spanish. Additional details are available on the ITC-ILO [website](#).

1 October-2 November, online. POLICY COHERENCE FOR SUSTAINABLE DEVELOPMENT. This online course is held by the UN System Staff College, with the goal of training participants in policy design skills. It will focus on how to design policies that are "coherent" across different governmental branches and thus facilitate the achievement of sustainable development objectives under Agenda 2030. More information is available on the UN System Staff College [website](#).

2-4 October, Geneva, Switzerland. WTO PUBLIC FORUM. This annual WTO outreach event will have as its theme "Trade 2030." More specifically, the three-day meeting will consider "sustainable trade" between now and 2030, addressing topics such as technology-enabled trade and making the trading system more inclusive. A draft programme of sessions is now available online, with additional details forthcoming. More information is available at the WTO's dedicated site for the Public Forum [here](#).

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 forums will come together to discuss investment-related

polymaking, particularly in relation to sustainable development. For more information and to register, please visit the event [website](#).

24 October, Geneva, Switzerland. HIGH-LEVEL INTERNATIONAL INVESTMENT AGREEMENTS (IIA) CONFERENCE 2018. Organised by the UN Conference on Trade and Development (UNCTAD) during the World Investment Forum, the theme of this year's IIA conference is "Going beyond IIAs: Fostering Coherence through Phase 3 of Reform." The event will follow up on UNCTAD's Reform Package for the International Investment Regime from 2017, looking specifically at Phase 3 of IIA Reform, which covers reform of national investment laws and policies. The conference will also take stock of progress on Phases 1 and 2 of IIA Reform, which involve guidelines for a sustainable development orientation in investment policymaking and updating the existing stock of old generation IIAs in line with these recommendations. The event will include discussion of how to improve overall investment policy coherence and country-level priorities for Phase 3 of reform. To learn more about, please visit the event [website](#).

14-15 February 2019, New Delhi, India. CARBON PRICING LEADERSHIP COALITION (CPLC) RESEARCH CONFERENCE. This event will be the first international research conference on carbon pricing, hosted by CPLC. It will bring together researchers, policymakers, 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. CPLC seeks to foster leadership across the public and private sectors, academic, and NGO communities in order to implement carbon pricing policies more effectively and reduce global emissions. To learn more, visit the CPLC [website](#).

Resources

NEW INDUSTRIAL REVOLUTION: UPGRADING TRADE AND INVESTMENT FRAMEWORKS FOR DIGITALIZATION. By Ricardo Meléndez-Ortiz and Axel Berger for the T20 (August 2018). This policy brief features contributions from various expert authors on the challenges and opportunities that G20 members will need to grapple with on the international trade and investment front in an increasingly digitised global economy, along with providing recommendations for the G20 to consider during this year's cycle. The policy brief was prepared by the T20 Task Force on Trade, Investment, and Tax Cooperation under Argentina's G20 Presidency. The brief is available at the ICTSD [website](#).

ACHIEVING PROGRESS IN MULTILATERAL TRADE NEGOTIATIONS IN AGRICULTURE. Published by the International Centre for Trade and Sustainable Development (ICTSD). This policy brief, as part of ICTSD's "WTO: Paths Forward" initiative, examines the state of play of the WTO negotiations on agriculture. It looks at recent submissions and farm support notifications, along with key questions going forward and possible options or approaches. The policy brief also looks ahead to the WTO's Twelfth Ministerial Conference, scheduled for June 2020 in Kazakhstan. The publication is available at the ICTSD [website](#).

EMERGING OPPORTUNITIES FOR THE APPLICATION OF BLOCKCHAIN IN THE AGRI-FOOD INDUSTRY. By Mischa Tripoli and Josef Schmidhuber for the International Centre for Trade and Sustainable Development (ICTSD) (August 2018). This new research paper looks at how distributed ledger technologies (DLTs) could have implications for value chains, and in turn the wider agri-food industry on the international level. It takes stock of the current landscape, along with what stakeholders in this field may need to consider going forward. The paper is available at the ICTSD [website](#).

CREATIVE MARKETS AND COPYRIGHT IN THE FOURTH INDUSTRIAL ERA: RECONFIGURING THE PUBLIC BENEFIT FOR A DIGITAL TRADE ECONOMY. By Ruth L. Okediji for the International Centre for Trade and Sustainable Development (ICTSD) (August 2018). This research paper reviews how evolutions in the digital space – including big data, artificial intelligence, and robotics – may affect the copyright system, along with providing related recommendations. The paper, as well as an article adapted from the executive summary, can be found at the ICTSD [website](#).

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Trade and sustainable development news and analysis on Africa
<http://www.ictsd.org/bridges-news/bridges-africa>
English language

PASSERELLES

Africa-focused analysis and news on trade and sustainable development
<http://ictsd.org/news/passerelles>
French language

PUENTES

Latin America-focused analysis and news on trade and sustainable development
<http://www.ictsd.org/bridges-news/puentes>
Spanish language

PONTES

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PUBLISHED BY



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

Bridges Weekly Trade News is made possible
through generous contributions of donors and
partners including

DFID - UK Department for
International Development

SIDA - Swedish International
Development Agency

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ISSN 1563-003X



