

BRIDGES NETWORK

BIORES

Analysis and news on trade and environment

VOLUME 9, ISSUE 7 – SEPTEMBER 2015



Trade and investment in a post-2015 era

SUSTAINABLE DEVELOPMENT

Reflections on global economic governance

INVESTMENT

The importance of sustainable investment

CLIMATE CHANGE

Financing for development in a changing climate



International Centre for Trade
and Sustainable Development

BIORES

VOLUME 9, ISSUE 7 – SEPTEMBER 2015

BRIDGES TRADE BIORES

The leading authority on news and analysis emerging from the trade and environment nexus.

PUBLISHED BY

ICTSD

International Centre for Trade and Sustainable Development

Geneva, Switzerland

www.ictsd.org

PUBLISHER

Ricardo Meléndez-Ortiz

EDITOR-IN-CHIEF

Andrew Crosby

MANAGING EDITOR

Kimberley Botwright

ADDITIONAL SUPPORT

Andrew Aziz, Sofia Baliño, Chiara Hartmann,

Sonja Hawkins, Jessica McDonald,

Alice Tipping

DESIGN

Flarvet

LAYOUT

Oleg Smerdov

To join the BIORES Editorial Advisory Board, write to us at biores@ictsd.ch

BIORES welcomes all feedback and is happy to consider submissions for publication.

Guidelines are available upon request.

Please write to biores@ictsd.ch

POST-2015 DEVELOPMENT AGENDA

- 4 **Reflections on global economic governance at the "start of a new era"**

Ricardo Meléndez-Ortiz

INVESTMENT

- 10 **How to boost sustainable investment for a post-2015 development agenda?**

Karl P. Sauvant and Khalil Hamdani

CLIMATE FINANCE

- 14 **Financing for development under a changing climate**

Adrian Fenton and Helena Wright

SUSTAINABLE DEVELOPMENT

- 18 **Opportunities and challenges for building the new climate economy**

Michael Jacobs and Russell Bishop

CLIMATE CHANGE

- 22 **Identifying a WTO exception to incorporate climate clubs**

Beatriz Leycegui Gardoqui and Imanol Ramírez

POST-2015 DEVELOPMENT AGENDA

- 26 **World leaders set to adopt post-2015 sustainable development agenda**

UNFCCC

- 30 **UN officials to prepare new text for Paris climate deal**

- 32 **The newsroom**

- 34 **Publications and resources**

Trade and investment in a post-2015 era



The world is entering a “new era,” declared UN Secretary General Ban Ki-moon at the start of the month. The international community has spent the last five years working towards a new vision to set the course for future sustainable development progress, nominally for the next 15 years, but with repercussions for generations to come. UN members will adopt the fruit of these efforts – dubbed “Transforming our world: The 2030 agenda for sustainable development” – during a high-level summit attended by more than 150 world leaders, scheduled to be held in New York from 25-27 September.

The post-2015 development agenda, as it has been commonly referred to, is intended to help governments commit to shared development principles, tackle both persistent and emerging global challenges – thereby replacing the current Millennium Development Goals (MDGs) – identify the means to do so, and review the process along the way. Through its Sustainable Development Goals (SDGs), the agenda presents a breathtaking and complex to-do list ranging from ending poverty and hunger, to securing healthy lives, water access, and quality education, promoting inclusive growth, building resilient infrastructure, reducing inequality, protecting oceans, animals, and ecosystems, as well as tackling climate change.

Trade and investment flows, policies, and rules oriented toward sustainable development outcomes can play an important role in the post-2015 era and, indeed, are slated as a key means of implementation to achieve both the SDGs and aims outlined in the Third International Conference on Financing for Development. Around US\$53 trillion worth of investments in clean energy supply and energy efficiency will be needed to shift energy systems towards a low carbon pathway while a variety of trade tools can help boost sustainable development.

In this issue's lead article Ricardo Meléndez-Ortiz, ICTSD's Chief Executive, looks at the shifting landscape of global governance over the past two decades and the importance of getting the trade and investment systems right for sustainable development. [Editor's note, ICTSD is the publisher of Bridges Trade BioRes]. Other articles also focus on various opportunities for trade and investment to support sustainable development, including boosting climate finance and action, meeting the demands of a new climate economy, as well as how to better facilitate sustainable investment.

Social, economic, and environmental challenges continue to abound in a world where some 836 million people still live in extreme poverty, water scarcity affects 40 percent of the global population, climate change impacts are felt, and around 16,000 children die each day before celebrating their fifth birthday often as a result of preventable causes. A comprehensive response to global challenges at hand, including from the trade and investment communities, will be needed to ensure no one is left behind.

What do you think? Join the conversations by following us on [Twitter](#) and [Facebook](#)

The BioRes Team

POST-2015 DEVELOPMENT AGENDA

Reflections on global economic governance at the “start of a new era”

Ricardo Meléndez-Ortiz

With the adoption of the post-2015 development agenda on the horizon and negotiations on a new climate regime, what's changed for governance of the global economy in the last two decades, and what have we learned?

Governments around the world are gearing up to adopt a new post-2015 development agenda including 17 Sustainable Development Goals (SDGs) during a summit scheduled to be held later this month at UN headquarters in New York. The new roster of international priorities has been billed as an effort to integrate economic, environmental, and social aspects of development for the next 15 years in a way that is universally applicable while taking into account different realities and capacities, as well as respecting national policies and priorities. The post-2015 development agenda outcome document is also set to include a declaration by world leaders on shared principles and commitments for multilateral cooperation in today's context, a section on means of implementation, and another on follow-up and review processes at national, regional, and global levels.

A few months later in Paris, France, UN members will come together again in a bid to secure a new, universal climate regime for the post-2020 period. Countries have agreed that the planned deal will be made up of self-defined individual national pledges for cutting greenhouse gas (GHG) emissions, although critics have warned that current submissions will not add up to enough to keep the world below an internationally agreed limit of two degree Celsius average warming above pre-industrial levels, and that arrangements for verification and a continuous upscaling of efforts over time will be needed.

Following hot on the heels of the Paris meet, WTO members will gather in Nairobi, Kenya, for the global trade body's 10th Ministerial Conference. The possibilities of effective outcomes for that occasion remain unclear, in the face of continued difficulties around wrapping up the Doha Round, and promising, more ambitious parallel mega-regional efforts to ink deep 21st century economic integration deals. Luckily for Nairobi, negotiators from select WTO members have secured an expansion of WTO's plurilateral Information Technology Agreement (ITA) slashing tariffs on an additional 200 or so high-tech products valued at US\$1 trillion in annual trade. Efforts are also underway to deliver a plurilateral tariff liberalising Environmental Goods Agreement. The latter, in particular, might be a potential meaningful contribution to the grand objectives of New York and Paris.

This coincidence of global governance decision-making resembles the “summitry” that characterised 1990s and early 2000s including among others the 1992 UN Conference on Environment and Development (UNCED) dubbed the “Earth Summit,” the 1994 conclusion of the Uruguay Round under the General Agreement on Tariffs and Trade (GATT) that led to the establishment of the WTO a year later, as well as international conferences on social development, least developed countries (LDCs), human rights, women, food, financing for development, and the information society. A year hailed by

UN Secretary General Ban Ki Moon as “a new era” for global governance is a good time to ask pertinent questions.❶ How has the global governance context changed over the past two decades? What have we learned? And what role should the trade and investment regimes play in the years ahead to continue to move sustainable development from an agenda on paper to a concrete reality?

Where have we come from?

It is critical to put global governance efforts into the right historical context. In 1992 the world was emerging from a period of economic fragmentation organised by at least three separate development models, namely centrally-planned economies, closed economies by and large in the global South characterised by import substitution coupled with controls, and the transatlantic and transpacific spaces driven by a pungent US post-war economy into an amalgamated liberal economy. Motion was set towards a new world, one that could turn into a globalised economy – as it gradually did – with the integration of national economies into international markets through an aligned set of economic policies, and the frameworks to enable that integration.

It was a critical moment of seeds sewn for a better future, unleashing vast forces of change, and with them respective tensions. Wealth was created in unprecedented forms and millions were lifted out of poverty. A triumph of sorts, at a significant cost, to a great extent due to the lesser attention paid to questions of equity and social inclusion, and an underestimation of persistent and deep-rooted asymmetries in capabilities among countries at different levels of development. As a result, today we face perilous levels of inequality among and within most countries around the world.

A high price has also been paid as a result of insufficient consideration for the natural environment and the now-coined concept of planetary boundaries. In hindsight, the Earth Summit held in Rio de Janeiro, Brazil was the first opportunity for the international community to think comprehensively about the intricacies of acting on a platform of shared values around a number of vital issues, and on the terms of engagement in this new world. Moreover, with good cause, Rio was also labelled as an opportunity to re-examine the relationship between environment and development.

Twenty years on from the 1972 UN Conference on the Human Environment held in Stockholm, Sweden, it had become clear that siloing environment and development priorities would always play against the environment. The Rio Declaration with its 27 principles and Agenda 21 was a forward-thinking proposal for transforming global governance, requiring a re-think of fundamentals of economic management and economic governance.

It was an extremely ambitious attempt at reconciling environmental protection and economic growth, and setting a broad common direction for policy. But it was also a vision developed at the turbulent moment mentioned above. Concerns abounded on global inequality, the terms of trade, anxiety from developing economies about their role in a new globalised world, the predatory behaviour of unbridled multi-national corporations in global markets, and rules of the game inadequate for a globalised market.

This all gave rise to an anti-globalisation movement to which the intergovernmental machinery of the UN and the development community partly responded with the Millennium Development Goals (MDGs). Yet, albeit their critical coverage, the MDGs were notable for their lack of focus on environmental issues and did not seem to have been affected by UNCED, prompting disarray between governments on the concept of sustainable development and backlash from the environmental community.

Rio did succeed in having an effect on global economic governance, while world economies moved swiftly in the direction of integration. At the time of the Earth Summit, the multilateral trade system was in interregnum, transforming itself from the limited 1947 GATT into the quasi-universal World Trade Organization, practically doubling its membership and expanding itself way beyond borders into issues such as services, investment, and intellectual property. Trade and trade rules up until that time were the purview of a smaller club of countries, geared towards regulating transatlantic and transpacific commerce, with the few developing countries participating in the system not bound by the same level of commitments.

Brief timeline

1947 General Agreement on Trade and Tariffs signed by 23 nations at the Palais de Nations in Geneva, Switzerland.

1972 UN Conference on the Human Environment held in Sweden, Stockholm geared towards considering the need for a common outlook and principles to guide environmental preservation.

1992 UN Conference on Environment and Development (UNCED) held in Rio de Janeiro, Brazil.

1994 Conclusion of the Uruguay Round under the GATT and establishment of the WTO the following year.

2000 Adoption of the Millennium Development Goals

2012 UN Conference on Sustainable Development (Rio+20) held in Rio de Janeiro, Brazil.

2013 WTO Ninth Ministerial Conference held in Bali, Indonesia adopts a package of outcomes.

2015 Third International Conference on Financing for Development held in July, UN Summit to adopt the post-2015 development agenda held in September, UN climate meet held in December to secure a new regime, and WTO Tenth Ministerial Conference held shortly after.

Transformation into the WTO was partly a manifestation of the changes in policies happening at that time. The new WTO design embraced the Rio principles by inserting these into its new constitution – the first paragraph of the [Marrakesh Agreement](#) referring to sustainable development, standards of living, and environmental protection – and making environment concerns operational through a number of other institutional mechanisms such as a Committee on Trade and the Environment (CTE).

Convergence and divergence

The three global governance endeavours this year are each, in their own context, trying to balance the benefits of convergence behind a universal agenda with the realities of natural divergences in national situations and development pathways. What have we learned in this area since Rio?

The first important change from Rio is substantive and has to do with the international community's understanding of the complex relationships between economics and the environment. The prevailing view at Rio in 1992 was one based on the Kuznets curve, which suggests that in early stages of economic growth environmental degradation increases, and then declines beyond some level of income per capita. This seemed to give license to those that were under-developed to continue to pollute and mistreat natural resources.

We are wiser now 20 years later, in some respects, and there has been an incredible amount of work done to boost our knowledge base in this area. The introduction of sustainability in the global trade architecture, and subsequently in other instruments of trade governance, proved wise. Although many tensions have surfaced since Rio, most have been handled by the appellate level of dispute settlement at the WTO, referring to non-trade treaties or applying principles of sustainability. It's not all rosy, some key environmental issues continue to challenge the systems of economic integration, not least steering the world away from climate change and fatal pollution and destruction of habitats and oceans.

The second important change is the real and practical impact of the principle of subsidiarity, which began to gain traction around the time of Rio. It was a period when civil society first really started to engage in UN processes, culminating in over 17,000 people and 2,400 non-governmental organisation representatives attending an [NGO Forum](#) held on the side-lines of UNCED, and the establishment of the [Major Groups](#) in recognition that achieving sustainable development required comprehensive engagement from all sectors of society. At the same time the EU was also going through the negotiation of the [Treaty of Maastricht](#) which, among other changes, formally enshrined the principle of subsidiarity into the bloc's law-making. These projects were all connected to and feeding global conversations. Global and regional governance set common direction, but increasingly was based on input from those on the ground, and implemented through institutions closer to this level.

Finally, two decades ago the WTO was envisaged as a universal, top-down structure. At its dawn, it emerged as a pyramid-like architecture for trade policy, with GATT principles, norms, and institutions at the top, prevailing over all other regional trade agreements, regional, bilateral or otherwise, and domestic policy settings. However, in the last few years, this centrality of the WTO has been forcibly altered as the locus of trade policy decision-making has moved in a variety of different directions.

In a quest for deeper or lesser integration, many countries have selectively positioned themselves in new arrangements, opting for different speeds of interaction with global markets. Opportunities driven by changes in information and communication technologies and transportation, and seizing the opening of markets, resulted in new forms of organising production in international networks. As a result a regime complex for trade and investment with coverage beyond the WTO has emerged for the governance of economic interdependence.

Today the post-2015 development agenda, and accompanying outcome from the Third International Conference on Financing for Development held in July, arguably appear to be calling for a single compass for national policies and economic policies without being too prescriptive. General guidance is provided but room is left to accommodate different paths for moving forward. Among the complex challenges of implementing the new sustainable development agenda will be differentiating between aspects intended as references for national policies and those that pertain to the new terms of engagement for international cooperation. The former include, for instance, whether a country will meet these targets and then adjust policies where it does not. The latter has to do with the international obligations and roles played to ensure that every nation, collectively and individually, reaches those targets while also addressing global issues.

The UN Framework Convention on Climate Change (UNFCCC) regime – one of the three conventions born out of the Rio summit – has particularly evolved in structure. It was unclear in 1992 exactly what would happen on climate and the science was still not well understood. The articulation at the first conference of the parties to the UNFCCC in Berlin in 1995 of the principle of common but differentiated responsibility through the artificial division of the world into Annex I and Annex II, influenced by Kuznets curve reasoning, held back cooperation on climate matters for years.

Now that the science is firmer, and more widely accepted, it is much clearer that broad participation in tackling climate change is necessary, and new forms of managing the differentiated historical responsibility for the accumulation of greenhouse gases needs to be found. The dynamics of Chinese growth and significant emissions from other developing nations mean that a Kyoto Protocol-type divide between the developed and developing world is no longer possible.

The road so far has made it clear; it's not money, but policies, their frameworks and the institutions needed to implement them, that constitute the most powerful lever for change.

More importantly, the challenge is to find ways in which a blend of command and control policies, market mechanisms and behavioural change, deliver the transformation to a low or zero carbon economy. A very difficult aim and one that will need a supportive global economic architecture. For the moment, we are now moving towards a new post-2020 regime to be defined in Paris that will likely be composed primarily of bottom-up, voluntarily outlined, national climate action pledges. The real question is whether this bottom-up process driven by subsidiarity will be enough to achieve our common goal.

Securing future progress

A key part of dealing with the tension between convergence and divergence, or between universality and subsidiarity, is establishing good monitoring, follow-up, and review systems at all levels. Getting the metrics right, those that are able to cope with complexity and disaggregate to the global level, will be important, and can help to enable governance based on shared principles but articulated by disciplines, agreements, and cooperation between countries applied in a very subsidiary manner. The monitoring and review of commitments is the only real tool to ensure delivery on international pledges and the newly agreed terms of engagement.

The post-2015 development agenda will require good indicators to track progress and help governments deal with the complexity of implementing a framework that weaves together the three dimensions of sustainable development across multiple policy areas. Fortunately, theory and academic work on development measurement has changed the

Climate pledges

To date, some 34 nations and the 28-members of the EU have submitted climate action plans to the UNFCCC, slated to act as the building blocks for the new post-2020 regime. The plans currently present a varied tapestry of mitigation and adaptation efforts, financing and technology needs, among other areas.

way countries think about measuring human wellbeing, in the context of social priorities and the natural environment.

The last few decades have seen increased efforts to look beyond gross domestic product per capita as a singular measure of development. The Human Development Report, published annually since 1990 by the UN Development Programme (UNDP), introduced the Human Development Index (HDI) synthesising a dashboard of indicators for countries' development such as unweighted averages of education, income, and life expectancy. The original HDI did not, however, take into account measures of environmental sustainability reflecting scepticism of its founding economist. This has now evolved under new leadership and a host of other multi-dimensional measurement efforts have joined the fray, including the OECD's wellbeing index, Jeffrey Sachs-led World Happiness Report, the Genuine Progress Indicator (GPI), the Bertelsmann Stiftung's Sustainable Governance Indicators (SGI), and Yale's Environmental Performance Index.

At the WTO, arguments have been made that special and differential treatment (S&DT) must be approached, and measured, from a sustainable development perspective. Simply granting developing countries a few extra years for policy implementation or preferential market access might not take into account the multi-faceted challenges facing a particular economy, trade impacts on domestic natural resources, or the trade effects of diverse environment policies. Implementing the post-2015 development agenda will ultimately require trade rules to be organised around sustainable development outcomes. Here again it will be useful to provide indicators on the extent to which rules are oriented in the right direction or not using some sort of composite of indices. Establishing such a system is, however, very challenging.

The beauty of the new climate regime is that measurements and indicators exist for much of what countries are proposing to do. The international community has fairly sophisticated ways of understanding where and when GHG emissions are generated as well as how they contribute to hikes in global temperatures, ocean acidity, and so on. Countries will individually pledge certain cuts by specific dates for the post-2020 period, in most cases with varying baselines, but nonetheless capacity broadly exists to understand how these efforts add up.

It is extremely likely, however, that the current national climate pledges will not add up to enough mitigation action to keep the world within the two degree warming ceiling. Countries may also not stick to their pledges. And what happens if a situation dramatically changes in a major emitter? A significant economic crash, for example, could trigger a re-think of climate policies. Safeguards need to be put in place to help countries deal with changes in circumstances. Alongside a close monitoring of what policies countries are pursuing to implement their pledges, some sort of "coaching" should occur, to help individual economies understand and manage the low carbon transition.

Many stakeholders often attribute the "success" of the trade system to its contractual nature, the mechanics of the dispute settlement understanding, and regular trade policy monitoring. But another, powerful dynamic is also at play. The trade system works and is enforceable because it is firmly anchored in the self-interest of players. If the logic is applied in the climate arena, efforts need to be made to ensure that policymakers understand the win-win outcomes of continuing to implement climate commitments, even if other circumstances change.

Getting the systems right

Global governance will continue to be a matter of striking the balance between global direction-setting, monitoring the ongoing leadership role of government policy, and supporting the subsidiary implementation of commitments at ground level. Aligning national policies will require absorbing the transaction costs of negotiating broad international agreements. In an interconnected economy, implementation of those agreements will also depend at least in part on business, technology, and harnessing the power of well-regulated global markets. Moreover, ensuring trade and investment

systems work for sustainable development will take more time, but arguably stands to achieve far more than funding discrete projects.

The trade and investment systems could play two important roles in the years ahead. Trade and investment rules can be the biggest catalyst for transformation due to their ability to change the way economies work and the way millions of people live their lives. We will need to continually ensure that trade rules, whether established at global or regional levels, are clearly in favour of sustainable development outcomes. Solid metrics and indicators will be required, with a sustainable development lens, to monitor the impact of those rules not just on economic activity but on the environment and society.

Moving from words to action on the UN financing for development outcome, post-2015 framework, and climate regime will require continued efforts to get the trade and investment systems right, and to support a well-functioning economy that delivers social, environmental, and economic goods. Ultimately it is the policies that serve to drive the necessary systemic shifts in the global economy, rather than funding in its own right, that will play a crucial role in supporting sustainable, inclusive growth in the coming decades. The road so far has made it clear; it's not money, but policies, their frameworks and the institutions needed to implement them, that constitute the most powerful lever for change.

-
- ❶ UN Secretary-General Ban Ki-moon's remarks at General Assembly Plenary Meeting to adopt the draft resolution to transmit the Agenda 2030 Outcome Document New York, 1 September 2015. Available at <http://bit.ly/1UphvDh>
 - ❷ Meléndez-Ortiz, Ricardo, and Ali Dehlavi. "Sustainable Development and Environmental Policy Objectives: A Case for Updating Special and Differential Treatment in the WTO." *Trade, Environment and Sustainable Development: Views from Sub-Saharan Africa and Latin America. A Reader*, ICTSD, Geneva (1998).



Ricardo Meléndez-Ortiz
 Chief Executive, International
 Centre for Trade and Sustainable
 Development (ICTSD).

INVESTMENT

How to boost sustainable investment for a post-2015 development agenda?

Karl P. Sauvant and Khalil Hamdani

What kind of international effort might be required to facilitate sustainable investment?

The global challenges of poverty, sustainable growth, and climate change are being tackled with renewed vigour through a post-2015 development agenda and accompanying sustainable development goals. This will see many countries embark on the design of national development strategies for 2030. Nations are also currently announcing their national climate action plans as part of an effort to ink a deal in December on a post-2020 multilateral climate regime. On the trade side, while uncertainty remains around the Doha Round trade talks, the WTO Trade Facilitation Agreement (TFA) is expected to enter into force sooner rather than later. The outcome document from the Third International Conference on Financing for Development (FfD3) held in Addis Ababa, Ethiopia from 13-16 July, meanwhile, strengthened international commitments and guidelines around development finance. Investment is common to all these processes that will, one way or the other, update the global development vision and in turn increase demands for quantitatively more investment that is also qualitatively more sustainable.

Shifting investment perspectives

Seen from some angles, investment remains a contentious multilateral issue, with divisions over the future of the international investment regime, rising numbers of disputes and criticism of their settlement, and close scrutiny of corporate contracts by media and civil society. Perspectives on foreign direct investment (FDI) have nonetheless evolved greatly over the years, for example, moving from closure to openness or from positive to negative lists. A few facts help to illustrate countries' current broader openness to FDI. According to the UN Conference on Trade and Development (UNCTAD), some 80 percent of regulatory changes from 2000-2013 involved liberalisation or promotion, while the number of international investment agreements rose to 3268 by the end of 2014.

FDI demand stems from larger search for investment, not just for current growth, but also for sustaining future growth. Major demographic and energy transitions will require significant investments in education, energy, and infrastructure to mitigate and adapt to the threat of climate change. These needs outstrip the ability to finance investments through public expenditure, even in developed countries, and FDI is also a critical mechanism to help spread technological innovation across the globe.

The links between trade and investment more generally have equally become clearer over the years. Firms increasingly locate specific activities wherever it is best for them to maintain or increase their international competitiveness, helping to boost FDI, and giving rise to the concept of global value chains. FDI and trade are necessary complements for an integrated international production system that can act as an engine of growth. Investment can, moreover, help to boost trade. The WTO TFA promises to reduce transaction costs at the country level by 10 to 15 percent. Reduced trading costs improves a country's locational advantages that attract efficiency-seeking FDI. If FDI is not forthcoming, then the advantages of trade facilitation are less compelling. Alternatively, potential benefits to a host country would multiply if trade facilitation proceeds jointly with investment facilitation to attract FDI, and promote linkages with domestic enterprises and SMEs active in segments of arm's length trade.

Bridging the sustainable investment gap

When accounting for all infrastructure needs ranging from water to telecommunications, the gap in global investment is at least US\$1 trillion per year. An estimated US\$5-7 trillion worth of annual investments, meanwhile, may be required to achieve the SDGs. Can this gap be bridged and needs met? From investor perspective the answer is affirmative, it is a matter of policy, not money. Answering the call of the post-2015 development agenda will require innovative partnerships incentivising private investment in social infrastructure. Global financial markets have abundant funds, including for niche activities such as impact investment, microfinance, and green investment. Civil society and the private sector already play an active role in areas such as education, health, extractive sector, and garments. For example, following the 1992 Rio Earth Summit, world industry associations began preparing responsibility guidelines.

For governments, despite development fatigue and budgetary constraints, many states are open to partnering with the private sector. The rationale for such cooperation is enlightened self-interest, in other words, leveraging donor assistance to enlist private resources to support recipient countries in implementing shared commitments on trade and sustainable development. Governments are, however, expected to lead the process. National policies in many cases can provide the critical enabling environment for investment. Potentially, all investment is sustainable, but depends on discovering and putting in place the appropriate policy and institutional frameworks.

What needs to be done?

Regulation and promotion are the basic policy levers to enhance investment outcomes. While most countries have liberalised laws governing entry, treatment, and exit of FDI, these are often inadequate, and where regulatory support infrastructure exists, clarification or improved coordination among different levels of government may still be needed. In many countries, the overall regulatory environment can be made more transparent, and the costs of doing business lowered. However, in the global competition for FDI, it is also important that investment should advance larger development objectives. Governments frequently offer generous fiscal incentives that do not induce specific development activities. Regulatory exceptions should avoid the sacrifice of long-term objectives for short-term gains. But policy experience in incentivising private investment in sustainable development activities is as yet nascent. Demonstration projects, pioneering partnerships involving multiple stakeholders, and institutional capacity in the public sector receptive to positive engagement with the private sector are needed. Many of these suggestions might be helped by international support programme for sustainable investment facilitation.

Contours of sustainable investment facilitation

Such a programme would focus on the “nuts and bolts” of encouraging the flow of sustainable FDI to developing countries. Moreover, many developing countries and particularly the world's poorest nations, do not possess the capacity to compete successfully in the world market for FDI and therefore require particular assistance to meet substantial investment needs. The programme would complement various efforts to facilitate trade, in particular, through the WTO led Aid-for-Trade Initiative and the recently adopted WTO Trade Facilitation Agreement. In a world increasingly dominated by global value chains, the latter address the trade side of the equation, while an international support programme for sustainable investment facilitation would address the investment side. Analogous to WTO efforts, a sustainable investment support programme would be entirely technical focusing on a range of practical actions to encourage the flow of sustainable investment to developing countries, with the aim of fostering their economic growth and development. These undertakings would in turn need the support of official development assistance, especially for least developed countries, to strengthen the basic economic determinants of FDI.

Defining sustainability characteristics of international investments is challenging. An international or non-governmental organisation could establish a multi-stakeholder working group to prepare an indicative list of FDI sustainability characteristics to use as guidance by governments seeking to attract sustainable FDI. This could include, for

FDI stock

World stock of FDI at the end of 2013 stood at US\$26 trillion. Much FDI takes the form of mergers and acquisitions (M&As), regardless of whether parent firms are headquartered in developed countries or emerging markets.

example, carbon dioxide-neutral foreign affiliates. This identification would also be helpful for governments wanting to encourage sustainable domestic investment. UNCTAD's Investment Policy Framework for Sustainable Development and the OECD Guidelines for Multinational Enterprises or newly launched Policy Guidance for Investment could provide inspiration in this respect. Defining sustainable FDI is also increasingly required for investor-state disputes. The same applies to international investment agreements as these increasingly make reference to sustainable development.² The working group could, in addition, identify mechanisms to encourage the flow of sustainable investment that go beyond those used to attract FDI in general. At the national level, special incentives could be one of the tools used by governments for this purpose. At the international level, the working group could examine among other things, lessons learned from established bodies such as the Clean Development Mechanism and the Clean Technology Fund.

The sustainable investment support programme could address a range of subjects starting, for example, with transparency. Host countries could commit to making information easily available to foreign investors on practices directly bearing on incoming FDI, beginning with issues relating to the establishment of businesses, including existing limitations and incentives, investment opportunities, and project development. Governments could also provide an opportunity for comments from stakeholders when changing the regulatory framework affecting FDI, or when introducing new laws and regulations, while retaining ultimate decision-making power.

Transparency is also important regarding the support offered to outward investors by their home countries. These could commit – through a designated focal point – to making information available to their foreign investors on the measures they have in place both to support and restrict outgoing FDI. Supportive home country measures include information services, financial and fiscal incentives, and political risk insurance. Some of these measures are particularly important for small and medium sized enterprises (SMEs). Multinational enterprises, in turn, could make information available on their corporate social responsibility programmes and any instruments they observe in the area of international investment.

On the national institutional side, investment promotion agencies could be the focal points for matters related to a sustainable investment support programme possibly interacting and coordinating with the national committees on trade facilitation to be established under the TFA. The function of such agencies in attracting sustainable FDI and increasing its benefits for the sustainable development of host countries could be recognised and undertaken within the framework of a country's long-term development strategy. Investment promotion agencies could also play a role in the development of investment risk-minimising mechanisms needed to attract investment, or in the prevention and management of conflicts between investors and host countries. Regular interactions between host country authorities and foreign or domestic investors would help.

Finally, as in the Aid-for-Trade Initiative and the TFA, donor countries could provide assistance and support for capacity building to developing countries in the implementation of various elements of a sustainable investment support programme starting with an assessment of their needs and the identification of sources of international assistance. Support could focus on strengthening the capacity of investment promotion agencies as country focal points for the sustainable investment support programme.

Practical steps moving forward

There are several ways in which this idea could be moved forward. One option is to extend the Aid-for-Trade Initiative to cover investment as well, recognising the close interrelationship between investment and trade, and in tune with other trade international frameworks such as the WTO's General Agreement on Trade in Services (GATS). Transactions falling under the latter's Mode 3 – "commercial presence" – account for nearly two-thirds of the world's FDI stock. The initial emphasis could be on investment in services and focus on key sectors for promoting sustainable development. Relevant initiatives, however, might require a broader interpretation of the current Aid-for-Trade

mandate. This approach could also benefit from the OECD's Creditor Reporting System that monitors where aid goes and what purpose it serves. The matter could equally be taken up by the Global Review on Aid-for-Trade, to examine its feasibility. Alternatively the current Aid-for-Trade Initiative could be complemented with a separate Aid-for-Investment Initiative but, given the tight interrelationships between trade and investment, this would be a second-best solution.

Another more ambitious and medium-term option is to expand the TFA to cover sustainable investment. This could be done through an interpretation or amending the Agreement as agreed by member states. A subsidiary body of the Committee on Trade Facilitation could provide the platform to consult on any matters related to the operation of what would effectively be a sustainable investment module within the Trade Facilitation Agreement. It is, however, as yet still uncertain when the required two-thirds majority of the WTO membership will have ratified the TFA or how the accompanying Trade Facilitation Agreement Facility will function in its quest to act as a financing facility to support developing countries unable to access funds from other agencies. Member states would also presumably wish to gather some experience with the operation of the TFA before expanding it.

A third, ambitious option might be for WTO members to launch a "Sustainable Investment Facilitation Understanding" focusing entirely on ways to encourage the flow of sustainable FDI to developing countries, inspired by and complementing the TFA, to be undertaken after the completion of the Doha Round. Work could equally begin in another international organisation with experience in international investment matters, for example in UNCTAD, the OECD, or the World Bank. A group of leading outward FDI countries could also launch such an initiative, for example, through the G20. The objectives of a support programme for sustainable investment facilitation can also be reached if its elements were to be incorporated in international investment agreements. Some of these agreements contain commitments by treaty partners to consult on the promotion of investment flows between them. But few contain binding commitments. Such approaches, while helpful, are nevertheless necessarily more piece-meal.

Meeting the future

The issues mentioned for possible inclusion in an international support programme for sustainable investment facilitation, as well as the options outlined on how such a programme could be put in place, are illustrative and all need to be seen against the background of the importance of economic FDI determinants. If these determinants are unfavourable, and investments are not commercially viable, even the best support programme is likely to have negligible effect. Concomitant productive capacity building is therefore critical. The key premise is the urgency of creating more favourable conditions for sustainable FDI flows to meet the investment needs of the future. As governments and the private sector increasingly share this view they will hopefully muster the political will and find the appropriate venue to put an international support programme for sustainable investment facilitation in place.

More details on the ideas outlined in this article can be found in a longer research piece published by the E15Initiative: An International Support Programme for Sustainable Investment Facilitation. Implemented jointly by ICTSD and the World Economic Forum, the E15Initiative convenes world-class experts and institutions to generate strategic analysis and recommendations for government, business, and civil society geared towards strengthening the global trade and investment system.



Karl P. Sauvant
Resident Senior Fellow,
Columbia Center on Sustainable
Investment (CCI). Sauvant is
also the Theme Leader of the
E15Initiative Expert Group on
Investment Policy



Khalil Hamdani
Visiting Professor, Lahore School
of Economics, Pakistan

- ❶ Sauvant, Karl P. *The International Investment Law and Policy Regime: Challenges and Options*. E15Initiative. Geneva: International Centre for Trade and Sustainable Development (ICTSD) and World Economic Forum. 2015.
- ❷ Gordon, Kathryn, Pohl, Joachim and Bouchard, Marie. *Investment Treaty Law, Sustainable Development and Responsible Business Conduct: A Fact-finding Survey*. OECD. 2014.

CLIMATE FINANCE

Financing for development under a changing climate

Adrian Fenton and Helena Wright

Development finance has significant implications for climate action. Where have these linkages been recognised by the international community and what more work is needed?

Towards the end of July in Addis Ababa, Ethiopia, UN members clinched an agreement updating the rules on development finance, aligning these flows with broader economic, social, and environmental priorities. The meeting covered development funding issues related to macroeconomic, financial, trade, investment tax, and monetary policies. The conference coincided with the recent creation of two large development banks – the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank – a global economy still recovering from financial crisis, and the finalisation of a set of new Sustainable Development Goals (SDGs) in separate talks at UN headquarters in New York.

The Addis gathering – dubbed the Third International Conference on Financing for Development (FfD3) – kicked off a series of important UN summits, including the adoption of the post-2015 development agenda later this month, as well as the pivotal UN Framework Convention on Climate Change (UNFCCC) negotiations due to be held in December. Moreover, while countries aim to achieve many of the SDGs by 2030, progress against these goals also has repercussions well beyond that timescale. The preamble of the Addis [outcome document](#) recognises the need to preserve the planet “for our children and future generations.”

However, while it is difficult to prioritise among such a comprehensive list of urgent global challenges, arguably none of the individual SDGs has such far-reaching implications as the goal on climate change. Climate change not only threatens to impede further development, it could also reverse decades of development [progress](#). In the face of climate change, countries' economies, living conditions, ecosystems, and basic functioning will be at stake. Does the Addis outcome fully take into account the urgency of climate action? Does it support the necessary scale up of climate finance critical to future sustainable development?

Addis appraisal

Perhaps unsurprisingly the Addis outcome document has been viewed differently by various stakeholders within the international development community. It's fairly easy to dismiss parts of the so-called “Addis Ababa Action Agenda” (AAAA) for its uninspiring language. It makes the usual acknowledgements, reaffirmations, and recognitions on important issues such as gender empowerment and poverty, which have been stated in past UN financing for development conferences, as well as other international processes. Many developed countries have, for example, so far failed to meet a long-standing commitment of distributing 0.7 percent of gross national income as aid. A simple reaffirmation may do little to ensure that countries meet this pledge. The Addis outcome also contains few details regarding timetables.

The AAAA, however, should also be seen as a document that takes stock of the current state of development cooperation. Importantly, it brings together in one place many essential and interconnected issues implying these are now being seen more holistically, rather than focusing on the narrow and unsustainable agenda of transferring resources from developed to developing countries. Challenges that frustrate many low income countries' attempts to move forward – such as illicit financial flows, raising taxes, and mobilising private investment – are rightfully acknowledged. The role of non-traditional

financing intermediaries and instruments are also highlighted. The outcome identifies a clear narrative for investing in development for the poorest that is resilient to climate change. It provides a robust roadmap for development efforts while also helping to maintain political momentum around addressing key global challenges ahead of the important post-2015 and climate conferences later this year. In order to further the Addis development effort, however, these subsequent meetings must now obtain effective and measurable commitments, timetables, and means of implementation.

Tussle over tax policy

Heavily negotiated language around tax featured in the Addis outcome, with a commitment to progressive tax systems, improved tax policy, and reduction of tax evasion, corruption, and avoidance. This includes ensuring multinational corporations pay taxes in countries where economic activity occurs. A reporting proposal was rejected, however, that would have made clearer how much corporations pay in taxes and where profits were generated. Also rejected was a proposal by developing countries to establish an intergovernmental UN tax body, which almost caused the collapse of negotiations, until the G77 group of developing countries climbed down on demands. Perhaps most surprising is the absence of an explicit mention of carbon taxes in connection with development finance, although the outcome does refer to carbon pricing as an innovative mechanism to combine public and private resources. The International Institute for Environment and Development (IIED)'s director Andrew Norton suggests that the former was blocked by certain countries, despite arguments that "taxing carbon is the most compelling win-win that could have been put on the table," with benefits for emissions reduction and a source of funds for public investment in development and climate action.

Addressing climate change

Climate change is explicitly referred to in the Addis outcome. This is important because our ability to tackle climate change will largely be determined by development pathways, rather than decisions taken at UN climate summits, although these are linked. The need to increase investments in low-carbon and climate resilient development was recognised, as was the need for inclusive and sustainable industrial development that addresses energy efficiency and pollution. The Addis outcome also "acknowledges" the UNFCCC as the primary intergovernmental forum for negotiating the global response to climate change; "reaffirms" the importance of fulfilling existing commitments; and "recognises" developed countries pledge to jointly mobilising US\$100 billion a year by 2020 to address the needs of developing countries.

Guidance and means to achieve these aims are now needed. An explicit commitment will eventually also be required to align the aims of bilateral and multilateral development finance with climate finance. Development actors dominate the climate finance space. Looking forward, it is clear development finance will continue to dwarf climate finance, especially now that the BRICS – comprising Brazil, Russia, India, China, and South Africa – and AIIB have entered the ring. Ensuring appropriate safeguards for the sustainability of development projects will be paramount. Moreover, while the establishment and maintenance of social and environmental safeguards are mentioned in the Addis outcome, a commitment to upgrade these to explicitly incorporate climate change concerns would be important. In addition, the words "fossil," "carbon," and "renewable" barely feature in the outcome document and although a renewal of the commitment to "rationalise inefficient fossil fuel subsidies" was made, the word "reduce" was not used. Globally, subsidies for fossil fuel consumption amounted to an estimated US\$548 billion in 2013, vastly exceeding current climate finance levels.

The state of climate finance

Climate finance broadly refers to finance committed through the UN to help developing countries reduce emissions and adapt to climate change. A precise and universally accepted definition has, however, never existed. While most climate finance has been channelled bilaterally, some significant amounts have been delivered through designated bodies, including the Kyoto Protocol's Adaptation Fund and the UNFCCC's Least Developed Countries Fund. In addition, contributions have been provided to the Global

Climate support

Total bilateral and multilateral climate-related external development finance to developing countries reached US\$39.7 billion in 2013. The UN estimates broader financing for climate action was around US\$650 billion annually in 2011-2012, while annual public and private flows from developed to developing countries ranged from US\$40-175 billion.

Environment Facility (GEF) and other multilateral institutions, such as the World Bank's Climate Investment Funds (CIFs). The newest addition is the long awaited Green Climate Fund (GCF) specifically designed to tackle climate change. In 2009 developed countries committed to mobilising US\$30 billion for "new and additional" climate finance for developing countries over the period 2010-2012 – known as fast-start finance – to be scaled up to an annual goal of US\$100 billion by the end of the decade. The newly created GCF will help to manage some of these flows.

Climate finance is, however, currently quite fragmented and faces issues of coordination. With the emergence of the GCF, for example, questions are being asked regarding the future of other existing funds. There have been calls for the GCF to operationalise some activities through other funds to take advantage of their experience and avoid losing lessons learned. Questions are also being raised around the World Bank's Climate Investment Funds. When these were created, a "sunset" clause was inserted into the governance framework that could result in its operations being folded into the Green Climate Fund once it becomes effective, but it is not yet clear exactly when this would occur.

Emerging challenges for climate finance and development

Development finance has major implications for climate change and climate finance. In 2013, for instance, more than 17 percent of the bilateral aid from OECD countries went to economic infrastructure including energy and transport. Finance for energy infrastructure, however, has sometimes included building coal plants in developing countries. Such funding has the potential to push the world across dangerous planetary warming thresholds and into uncharted territory involving extreme climate impacts. Research by the London School of Economics (LSE) suggests that over 80 percent of current coal reserves will need to be kept in the ground in order to keep planetary warming below the internationally agreed level of a two degrees Celsius rise above pre-industrial levels. At the same time, development finance for SDG 7 on energy access will be critical, since around 1.2 billion people still have no access to electricity.

The Addis process, with its linkages to discussion on finance for the post-2015 development agenda, would have been an excellent forum to discuss phasing out high carbon investments alongside boosting low carbon pathways. While taking up the mantle on the latter the conference did not fulfil its potential on the former. In fact, the Addis outcome document points to the need to encourage "investment in value addition and processing of natural resources." This could conflict directly with combatting climate change if natural resources are interpreted to include fossil resources.

Some stakeholders have raised concerns that developed countries are re-branding development finance as climate finance and the Addis outcome made no reference to the complex issue of climate finance being "additional" to development finance. It could be argued, however, that it was wise to leave this hotly contested issue out of the mix in order not to prompt gridlock in the negotiations.

A key challenge ahead will be reaching developed countries' US\$100 billion target for climate finance. The composition of this annual target is yet to be articulated, in other words, whether it will be made available as grants or loans, or provided through a mixture of public and private sources. Moreover, with the overall Addis outcome placing an emphasis on private flows of finance, regulation and incentives will be needed to ensure these are in line with a low carbon future.

Trade and climate opportunities

Trade and investment will be crucial for sustainable development in the post-2015 era. For example, SDG target 17.11 aims to "increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020." Climate change poses a particular threat to the development of least developed countries (LDCs) and small island states. These countries are recognised as particularly vulnerable to the impacts of climate change, including extreme weather events, rising temperatures,

and sea level rise. The post-2015 development agenda may therefore be impossible to achieve in these nations unless climate change is properly addressed. Specifically, given that climate change threatens exports in many LDCs including around agriculture, it is difficult to see how the trade target could be achieved without climate action.

On the flip side responding to climate change could help to achieve multiple aims across the SDG framework. Renewable energy and energy efficiency can contribute to economic growth and jobs in developing countries. A more sustainable global trading system would see environmental goods and services eligible for lower tariffs to promote their export and trade with higher tariffs on polluting goods and services. Under the WTO's Doha Round negotiations countries sought to reduce or eliminate tariff and non-tariff barriers to environmental goods and services. While little progress has been made in the Doha Round of talks, a group of 17 WTO members are aiming to slash tariffs on a list of environmental goods, and extend these benefits to the full membership under the most favoured nation (MFN) principle.

Some experts argue that not all products should be treated equally in the international trading system. For instance, if the principle of free trade is used to facilitate trade in fossil fuels, this can result in higher global emissions. Some members of civil society have expressed concerns that the Transatlantic Trade and Investment Partnership (TTIP), a planned bilateral agreement between the EU and US, may facilitate trade in tar sand oils, which would conflict with the global goal of reducing emissions. Placing higher tariffs on imports of fossil fuels in line with their costs, including the health impacts of air pollution, would be one way for countries to counter climate change.

Trade flows also affect emissions reporting. Research by University of Leeds demonstrates that if emissions were calculated on a consumption basis taking into account traded goods the UK's carbon footprint would be higher than currently estimated. By importing high carbon products, the UK has outsourced emissions, suggesting a need for action on more effective emissions monitoring at the global level. Some countries' export credits also continue to be used to fund fossil fuels. Rich nations provided around five times as much in export subsidies for fossil-fuel technology as for renewable energy over the last decade.

Ending coal-driven development

Emissions growth between 2000-2010 was larger than in the previous three decades largely fuelled by a renaissance in artificially cheap coal. Professor Edenhofer, a co-chair of the Intergovernmental Panel on Climate Change (IPCC)'s latest report, suggested in July that the renaissance of coal is due to growing use in developing countries. The global coal market is a nexus point for development, climate change, trade, and economic policy. Global coal demand continues to grow and it is imperative that this growth is reversed if both climate and development goals are to be met. Coal is artificially cheap because market prices do not take into account environmental and health side effects. While the current cost is about US\$50 a tonne, its true cost is probably nearer to US\$200 a tonne. Coal is also usually the lowest and least frequently taxed fuel and subject to very limited or no import tariffs. Conversely some renewables, for example, wind powered generating sets are subject to high import tariffs. Realigning import tariffs with climate aims could be an effective way to enable the spread of sustainable technologies around the world and discourage polluting technology.

The climate change challenge is a development problem and both areas must be tackled simultaneously. The cost of not addressing climate change risks not only development progress but also potentially the future habitability of parts of the world. These linkages should be underscored in the upcoming post-2015 development agenda and UN climate summits. Moreover, safeguards and the right policies are urgently needed to ensure flows of finance and trade do not exacerbate the climate crisis, but instead help put the world on a safe low carbon trajectory.

The views expressed in this article are those of the authors and do not necessarily reflect those of the institutions to which they are affiliated.



Adrian Fenton
PhD Researcher, University of Leeds and Visiting Researcher, International Centre for Climate Change and Development



Helena Wright
Postgraduate Researcher, Imperial College London

SUSTAINABLE DEVELOPMENT

Opportunities and challenges for building the new climate economy

Michael Jacobs and Russell Bishop

Where might international cooperation and partnerships galvanise stronger action on climate change and economic development? What role for trade policy?

This is a year of unprecedented opportunity. Landmark intergovernmental conferences – the UN financing for development talks in Addis Ababa, Ethiopia in July, followed by the UN summit to adopt the post-2015 development agenda and Sustainable Development Goals (SDGs) in New York, US this month, then the G20 Summit in Antalya, Turkey in November, and finally the UN climate talks (COP21) in Paris, France in December – have the potential to advance a new era of international cooperation that could help countries at all income levels build lasting development and economic growth while reducing climate risk.

A goal once seen as distant – to end extreme poverty, achieve broad-based prosperity, and secure a safe climate, simultaneously – is increasingly within reach. As the Global Commission on the Economy and Climate's 2014 report *Better Growth, Better Climate* argued, crucial investments will be made over the next 15 years in the world's cities, land use, and energy systems. These could generate multiple benefits for economic growth, human development, and the environment; or they could lock countries into high-carbon pathways with severe economic and climatic consequences. Through credible, consistent policies to drive resource efficiency, infrastructure investment, and innovation, both developed and developing countries can achieve stronger economic performance and climate goals simultaneously.

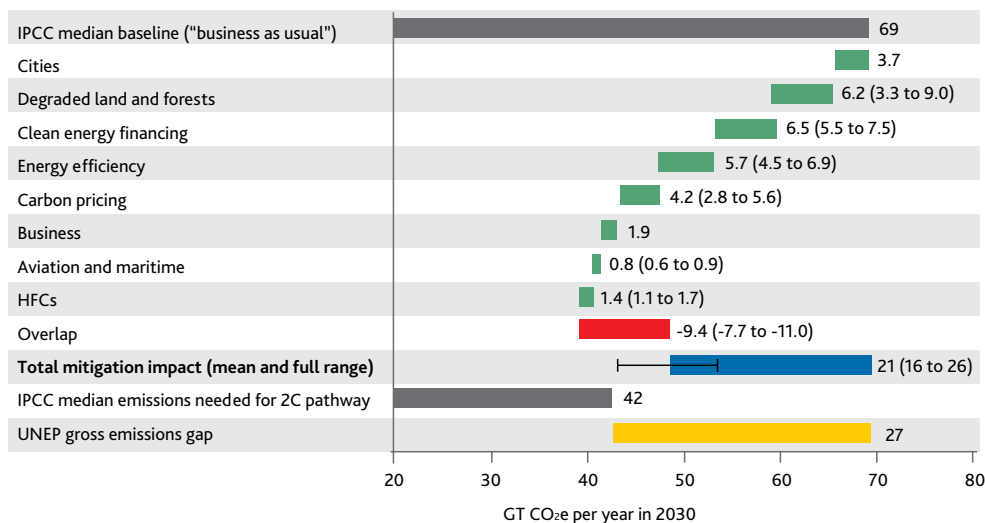
Partnerships for better growth and a better climate

The Global Commission's latest [report](#) published in July finds, however, that the transformation pace towards a low carbon economy needs to be rapidly accelerated. It recommends a set of ten actions for enhanced international collaboration in key areas – from clean energy to forest protection – that can drive economic growth and reduce climate risk in tandem. Together, it estimates that these could achieve up to 96 percent of the emissions reductions needed by 2030 to help keep the world below a two degree Celsius warming from pre-industrial levels as agreed by the international community, shown in Figure 1. The report demonstrates how such actions can be scaled up through cooperative, multi-stakeholder partnerships not just between governments, but also among businesses, investors, states and regions, cities, and communities. Moreover, across a number of the recommendations, the international trade community has a big role to play in building a new climate economy.

Momentum is building

Technological innovation, new economic trends, and new political commitments are now combining to build momentum for change. Renewable energy costs continue to decline, while energy storage and demand management technologies are being developed rapidly, creating new opportunities to build cleaner and more efficient energy systems and to expand energy access in developing countries. Carbon pricing has been adopted or is planned in about 40 countries as well as more than 20 subnational jurisdictions, with over 1000 major companies and investors declaring their support for such policies. In the last two years alone, 28 countries have launched efforts to reform fossil fuel subsidies, helped recently by lower oil prices. Cities are adopting ambitious emission reduction and air quality targets and plan to track their progress using common standards.

Figure 1: Emissions reduction potential for each of the Global Commission's recommendations (Gt CO₂e)



Note: Bars show mean emissions reduction potential for each field with the full ranges in brackets.
 Source: New Climate Economy, 2015. Estimates of Emissions Reduction Potential for the 2015 Report, Technical Note. Available at: <http://bit.ly/1Q7qPuS>

Some 175 governments, companies, indigenous peoples' groups, and civil society organisations have committed to halt deforestation by 2030, and leading consumer goods and agricultural trading companies are working with tropical forest countries and communities to eliminate deforestation from their supply chains. International finance to support climate resilience and low carbon investment continues to grow. Issuances of "green bonds," for example, have more than tripled in the last year. Companies, investors, governments, and financial regulators are increasingly integrating climate change into their investment and business strategies, creating more new opportunities and competitive advantages for market leaders.

The price tag, meanwhile, of continuing the current fossil fuel-based economic model is also becoming ever clearer. Air pollution primarily related to fossil fuel-based energy and vehicle emissions leads to an estimated 3.7 million premature deaths globally each year, with millions more suffering from respiratory illnesses. Growing traffic congestion is causing serious economic costs in cities throughout the world, while road traffic accidents kill around 1.25 million people annually, with over 90 percent of fatalities occurring in developing countries. As low carbon energy costs fall and climate policy is tightened, moreover, locked in high carbon assets increases the risk of future devaluation or stranding.

More speed and scale is needed

But action is not yet occurring at the scale or speed necessary for structural transformation toward a new climate economy. For example, despite its crucial importance to growth, infrastructure investment remains inadequate almost everywhere. It continues to be constrained by the protracted effects of the global financial crisis, deeply embedded market failures, underlying weaknesses in policies and institutions, and the inertia of a longstanding high-carbon economic model. Moreover, while carbon dioxide emissions are beginning to decouple from growth in both advanced and some emerging economies, this process is not happening rapidly enough to avoid the worst impacts of climate change. To hold global warming to under two degrees Celsius, the carbon emitted per dollar of GDP in the global economy needs to decline by around five percent a year between now and 2050, compared to a current rate of 1.5 percent.

Paris is critical

Governments from nearly 200 nations are now working hard to achieve a new international climate agreement for the post-2020 period to be inked at COP21 in Paris. A strong deal would provide a vital foundation for a lower carbon and more resilient global economy, sending an important signal to businesses and investors on the future direction of global

Climate ambition

According to the Grantham Research Institute on Climate Change and the Environment, emissions-cutting pledges made so far to the UN as part of the planned post-2020 climate regime would reduce annual global emissions to around 56-59 billion tonnes of carbon dioxide equivalent by 2030. The UN Environment Programme, however, has said that 36 billion tonnes of annual emissions would be more consistent with keeping the planet within a two degree Celsius temperature rise from pre-industrial levels.

growth. The Global Commission argues that the agreement should include a long term goal for emissions to reach near zero or below in the second half of the century and a mechanism for regular strengthening of commitments. A strong and equitable package of support for developing countries is also needed through which international public finance mobilises private sector flows, complements strong domestic financial resources, and helps enhance institutional and technological capacities.

On the one hand countries' climate action plans submitted as part of this process, known as "intended nationally-determined contributions" (INDCs), in many cases represent historically ambitious commitments. But, on the other hand, a serious problem has emerged. It is clear that added together the national pledges are not going to achieve a sufficient level of emissions reduction to keep the world below the two degrees Celsius threshold. It is important that INDCs are considered under the Paris deal as floors rather than ceilings to national ambition and can be strengthened in the future.

Key areas for cooperative action

The Global Commission's 2015 report identifies ten key areas of opportunity for stronger, cooperative climate action that will also lead to significant economic benefits. Multi-stakeholder cooperation has the potential to scale up technological change, expand markets, reduce costs, address concerns about international competitiveness, spread best practice, and increase the flows of finance. Some of the report's recommendations include stronger action by city authorities, including the implementation of low carbon urban development strategies prioritising policies and investments in public, non-motorised and low-emission transport, building efficiency, renewable energy and efficient waste management. City-level partnerships such as "C40" and initiatives such as the [Compact of Mayors](#) should be scaled up to help drive this. The Global Commission estimates that low carbon investment in major cities could save around US\$17 trillion globally by 2050 and up to 3.7 gigatonnes of carbon dioxide emissions (Gt CO₂e) a year by 2030.

The report also calls for a scaling up of sustainable land use financing toward a global target of halting deforestation by 2030 and restoring at least 500 million hectares of degraded farmlands and forests. Governments, multilateral, and bilateral finance institutions, the private sector and willing investors should work together through partnerships such as the UN's [REDD+](#), the multi-stakeholder [Initiative 20x20](#) in Latin America, and the [Africa Climate-Smart Agriculture Alliance \(CSA\)](#). This would enhance agricultural productivity and resilience, strengthen food security, and improve livelihoods for rural and forest communities, and could save up to 9.0 Gt CO₂e a year by 2030.

Another key action would involve stronger cooperation among multilateral and national development banks with governments and the private sector to reduce the cost of capital for clean energy, aiming for total global investment to reach US\$1 trillion by 2030. This would improve energy security and reduce the costs of air pollution from fossil fuels and could save up to 7.5 Gt CO₂e a year by 2030. The report also identifies agreement under the G20 to raise energy efficiency standards to the global best for goods such as appliances, lighting, and vehicles as an important step. G20 countries should also commit to introduce carbon pricing, phase out fossil fuel subsidies, and ensure that all new infrastructure is climate-resilient and compatible with climate mitigation plans and goals. Global businesses should make a stronger commitment to long term emissions reduction, including agreement in major industries on sectoral transformation roadmaps. In addition, the report recommends greater cooperation between developed and emerging economies to scale up research and development of the low-carbon technologies, which will also be needed after 2030. Governments should take action to reduce emissions under the international aviation and maritime treaties and the Montreal Protocol on hydrofluorocarbons (HFCs). Efforts in these two sectors could reduce emissions by as much as 2.6 Gt CO₂e in 2030.

Trade and global convergence of energy efficiency standards

The Global Commission's recommendations have several important implications for international trade policy. This includes the proposal on energy efficiency. G20 countries

produce 94 percent of all vehicles, so the standards they set determine the global market. Greater energy efficiency can benefit countries at all stages of development. Estimates indicate that investment in energy efficiency could boost cumulative economic output globally by US\$18 trillion by 2035, increasing growth by as much as 1.1 percent annually, and save up to 6.9 CO₂e a year by 2030 in G20 countries alone.¹ This is particularly the case for fast-growing economies trying to achieve universal energy access with limited resources. Energy efficiency standards, as part of a wider policy package, can be an effective means of changing consumer and business behaviour, and driving product innovation. International cooperation can amplify the benefits by aligning and gradually raising efficiency standards around the world.

Converging on a smaller number of standards will expand the size of global markets for the most efficient technologies and reduce non-tariff barriers to trade. A 2010 [study](#) by the International Centre for Trade and Sustainable Development (ICTSD) explored the role of trade in helping to harmonise energy efficiency standards globally and highlighted a number of benefits. [Editor's note, ICTSD is the publisher of *Bridges Trade BioRes*]

Investment in energy efficiency markets worldwide in 2012 was between US\$310-360 billion, [according](#) to the International Energy Agency. The larger the market, the greater the incentive for companies to cater to it and to apply the higher efficiency standards to all their products, taking advantage of economies of scale. International standards and harmonisation have generally been found to have a positive, or at least neutral, effect on trade.² Moreover, the benefits of common standards accrue not just to the largest manufacturers, but also to smaller national producers seeking overseas markets.

There are strong economic grounds for countries to raise their standards over time and gradually converge towards the global best. This does not mean that all countries would have the same standards. There are likely to be differences for countries at various stages of development. The goal would, however, be to converge toward a smaller number of standards. Adoption of these standards would be voluntary and they could be applied in different ways. In some cases, countries may require all products to achieve a minimum performance level, such as for new buildings. In others, such as for domestic appliances, minimum energy performance standards can be set but labelling products can also be important by allowing consumers to choose. In all cases an important principle is that standards should be subject to continuous improvement so that the global best is not a static concept but a constantly evolving one.

There are already some examples of efforts to harmonise standards at the international level. For instance, a voluntary approach to harmonise regional test procedures for mid-size industrial electric motors has been coordinated between standards bodies, trade bodies, manufacturers, and country governments through the International Electrotechnical Commission (IEC). The initiative has developed a set of recommended energy efficiency thresholds, with countries choosing the one that is most suitable, and dates for progression sending a clear direction for manufacturers. In addition, work is ongoing related to passenger vehicles in the G20 through the Global Fuel Economy Initiative, which also works with other multilateral policy processes including the UN Framework Convention on Climate Change.

This paper is based on the Global Commission on the Economy and Climate's report: [Seizing the Global Opportunity: Partnerships for Better Growth and a Better Climate](#).



Michael Jacobs
Senior Advisor to the New Climate Economy, a project of the Global Commission on the Economy and Climate. Report Director of the Global Commission's report, *Seizing the Global Opportunity: Partnerships for Better Growth and a Better Climate*



Russell Bishop
Senior Economist for the New Climate Economy project. Lead author of the energy efficiency and innovation work of the Global Commission's report, *Seizing the Global Opportunity: Partnerships for Better Growth and a Better Climate*

¹ Bishop, R., 2015 (forthcoming). Raising Energy Efficiency Standards to the Global Best. Contributing paper for *Seizing the Global Opportunity: Partnerships for Better Growth and a Better Climate*. New Climate Economy, London and Washington, DC. Available at: <http://bit.ly/1vaYpXl>

² Swann, P., 2010. International Standards and Trade: A Review of the Empirical Literature. Report for the UK Department of Business, Innovation and Skills (BIS). OECD (OECD Trade Policy Working Papers, 97). Available at: <http://bit.ly/1L30f1l>

CLIMATE CHANGE

Identifying a WTO exception to incorporate climate clubs

Beatriz Leycegui Gardoqui and Imanol Ramírez

How to create the legal space in the WTO for preferential trade arrangements aiming to boost climate action?

Multilateral efforts to tackle climate change have moved at a snail's pace over the last two decades. The most emblematic multilateral climate effort to date has involved the signing of the UN Framework Convention for Climate Change (UNFCCC) in 1992 and an accompanying [Kyoto Protocol](#) in 1997. As worthy as these may be, however, they have not yielded the expected or necessary results.

Annual conferences of the parties (COP) under the auspices of the UNFCCC have made slow progress, producing non-binding documents such as the Bali Action Plan, the Cancun Agreements, and the Warsaw International Mechanism for Loss and Damage. More recently, COP20 outcomes last December in Lima, Peru served to edge countries closer to securing a universal post-2020 emissions-cutting regime, which will be composed of individual national climate action plans known as "intended nationally determined contributions" (INDCs). If inked, it would be the first time all nations are required to come forward with mitigation efforts, albeit of varying quality and ambition.

Expectations that a new multilateral climate framework will be signed at COP 21 – due to be held in Paris, France from 30 November to 11 December – have grown aided by high levels of trust between parties in the Ad Hoc Working Group on the Durban Platform (ADP) negotiating the deal. Nonetheless, challenges remain because of the costs its implementation would entail, and the perceived effect of mitigation on competitiveness. It is unlikely that any country will accept binding commitments unless other countries follow its lead.

Many aspects of how the new climate architecture will work in practice still need to be hammered out in the next few months. Alternatives to the multilateral approaches may therefore be sought by those wishing to respond seriously to the climate challenge. In the short term, one possibility is that these alternatives will come in the form of partial and limited agreements subscribed to by small groups of like-minded countries or "climate clubs."

Key relationship

Trade and climate change have an inextricable and intimate relationship. Equilibrium must be sought between further trade liberalisation and combating climate change. This challenging task is increasingly gaining attention among policymakers all over the world since climate change is rapidly becoming a top priority in national politics and international trade remains an essential part of the global economy. Adapting trade commitments to positive climate change mitigation efforts is essential to reduce potential conflicts and to harness the opportunities trade might offer in this area. This is a part of the sustainable development objectives of the WTO embedded in its founding agreements.

WTO members need to take action within the global trade body to create conditions for the adoption of the right climate-supportive policies. Various alternatives have been proposed, including free trade of green products; mutual recognition and harmonisation of standards and technical regulations applied to green technologies; environment-friendly government procurement; clarification of environment-related WTO provisions; fostering transfer of green technologies by improving WTO intellectual property rules; and

encouraging green subsidies. A plurilateral tariff-cutting Environmental Goods Agreement (EGA) currently under negotiation between 17 WTO members offers one example of an ongoing initiative.

Through climate clubs beyond the WTO, environmental measures could be agreed on and enforced, establishing a regime of trade preferences or incentives for members and trade restrictions or sanctions for third parties. However, this could trigger a series of potential violations to WTO rules, which might have systemic implications in the multilateral trading system.

Nonetheless, it is unlikely that WTO members will agree on modifying numerous legal texts, or issuing several decisions in the short term. This article consequently explores the possibility of members undertaking a one-time effort to establish a general permanent exception that allows preferential arrangements among climate clubs within the WTO.

Climate, trade club logic

Considering that only 12-15 countries contribute to 75 percent of world emissions, climate clubs comprising some of these countries could have an impact on climate change. Clubs could build compromises that otherwise would be impossible in multilateral forums where almost 200 countries with diverse interests participate. They could constitute an alternative to the process of multilateral conferences and be a stepping stone to major environmental achievements.

Environmental regulations are often perceived as being burdensome for industries and capable of negatively affecting their competitiveness. Trade benefits in climate clubs could compensate for this apparent economic burden through increased preferences granted exclusively among countries that have the same or similar compromises.

The multilateral trading system could and should become a relevant tool for tackling climate change in a world where the linkages between trade and the environment are increasingly strong.

Club members could agree, for example, on bilateral tariff reductions in exchange of specific environmental obligations. More complex mechanisms could equally be created such as anti-subsidies procedures establishing higher thresholds for green products, which in turn, could promote green subsidies among club members. Additional economic benefits generated from environmental commitments might incentivise countries to subscribe to climate clubs. It would permit governments to address national agendas on climate change while having something to offer to industry.

Creating legal space

In the WTO regime members are in most cases bound by the most favoured nation (MFN) principle found in Article I of the General Agreement on Tariffs and Trade (GATT 1994), which prohibits discrimination among trading partners, including the granting of any special advantage, favour, privilege, or immunity. The treatment given to any WTO member must be available to all other members. Exclusive trade benefits within climate clubs would constitute a potential violation of the non-discrimination obligations provided in the GATT and other WTO agreements. WTO members would need to find a way around this, either by modifying the rules of the game, implementing a waiver, or an exception.

Attempting to amend agreements under the WTO is nonetheless quite complicated, not only because of the nature of the negotiations, but also because of the body's decision-making processes. A testament to the efforts required, the only amendment decision in the WTO was passed in 2005, which modified the TRIPS Agreement on compulsory

GATT Article XX

The WTO's General Agreement on Trade and Tariffs (GATT 1994) includes a "general exceptions" clause designed for provide policy space for a list of non-trade measures. The "chapeau" of the article stipulates the requirement, however, that these must not be applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail.

licenses for the production of certain medicines. In ten years the decision has been accepted in only 53 local legislatures of the total 161 WTO members.

Therefore, members need to pick their battles wisely, using a pragmatic approach to address climate change. WTO members could explore the possibility of establishing a general permanent exception to the MFN principle that permits exclusive trade benefits among climate clubs and other international climate change-related agreements.

A WTO exception to climate clubs would have to be subject to strict conditions to justify the deviation from the MFN principle. Some conditions could be established to determine whether a club measure is in accordance with WTO law. Firstly, a minimum standard of environmental contribution must be achieved. Secondly, agreements reached in climate clubs cannot impose additional trade restrictive measures on non-club WTO members.

Thirdly, with regard to trade measures to be applied among club members, provisions similar to those of the chapeau of GATT Article XX should be outlined to avoid protectionism through arbitrary, unjustified, or disguised restrictions on international trade. Lastly, measures adopted in climate clubs relating to trade should fall under the authority of the WTO dispute settlement system. These conditions would help draw a legal line between permissible environmental measures affecting trade pursuant to climate clubs and those that are not.

Another advantage of a WTO exception to climate clubs is that it would only take a one-time effort to achieve it as opposed to various attempts to modify several legal texts. Two possible scenarios exist for passing an exception on the terms proposed. The first would be that the exception formally amends WTO legal texts that affect the MFN principle. The second while not formally amending WTO provisions – that is, the exception is enacted as a new legal text – would be considered to have amended WTO provisions that affect the MFN principle in terms of Article X of the Agreement Establishing the World Trade Organization (the [WTO Agreement](#)).

In both cases, the proposed exception would have to be accepted by the constituencies of all members, as established under Article X:2 of the WTO Agreement. A unanimous decision would be required to become valid. However, while this is also complicated, any other effort undertaken on this matter might be even more difficult.

Specific negotiations on substantive issues, for example the intended contributions, the measures to achieve them, and the trade benefits granted in exchange, would be carried out bilaterally or within a small group of countries. The latter will reduce the complexity of negotiations processes. In addition, as opposed to waivers, the terms and conditions of the exception will not be subject to an annual review by WTO members. Members could have legal certainty on their obligations and trade benefits under climate clubs.

Templates

A permanent exception in these terms could create a win-win situation for club members. Such exception could be inspired by existing WTO provisions such as Article XXIV of the [GATT 1947](#) and the [Decision of 28 November 1979 on Differential and More Favourable Treatment Reciprocity and Fuller Participation of Developing Countries](#) known also as the "Enabling Clause." An exception in this direction could unleash the right incentives for countries to acquire serious commitments on climate change and at the same time promote the stability of the multilateral trading system.

GATT Article XXIV allows members to create free trade zones and customs unions under specific conditions thereby deviating from non-discrimination obligations.

To date 238 free trade agreements (FTAs) and customs unions have been notified under Article XXIV. Much debate has nevertheless followed the application of this provision, with some arguing that it has led to a weakening of the multilateral rules due to a lack

of enforcement, while others have mentioned that it is vague and ambiguous. Punctual enforcement would be fundamental for an exception to climate clubs in the WTO.

Paragraph 2(c) of the Enabling Clause, meanwhile, provides that differential treatment could be accorded in regional or global arrangements among developing countries for the mutual reduction or elimination of tariffs and non-tariff measures on products imported from each other.

Both exceptions acknowledge the need to depart from the MFN principle to contribute to other legitimate objectives such as further trade liberalisation and economic development. The specific historical context in which these exceptions were negotiated and accepted, and their rationales, shed some light on the feasibility of a WTO exception for climate clubs now in an age demanding climate action.

A window of opportunity

The multilateral trading system could and should become a relevant tool for tackling climate change in a world where the linkages between trade and the environment are increasingly strong.

A general and permanent exception to the MFN principle under the WTO that permits trade benefits under climate clubs might be a policy option worth exploring by members. This exception could constitute an incentives-based system that serves to help countries to address climate change. Moreover, it could represent a practical approach, since it is unlikely that the several initiatives proposed are going to be explored or negotiated at once.

Examples of exceptions in the global trade regime, such as GATT Article XXIV and the Enabling Clause, could be used as models to design a climate club exception in the WTO. Both constitute an acknowledgment from WTO members of the necessity to address other legitimate objectives within the organisation while departing from certain established principles.

The need to address climate change in a comprehensive manner is widely recognised. Countries have, however, long struggled with demonstrating to certain stakeholders clear incentives for taking action. The negotiation of a WTO exception to climate clubs could help to achieve both environmental ends, boost economic activity, and serve to demonstrate the functionality of the global trade body's negotiating arm. Given the current impasse in the Doha Round trade talks, alternative opportunities may now be sought on the trade front, with supportive outcomes for the climate agenda.

However, given that such a negotiation will undoubtedly itself be complex, perhaps a more feasible and complementary alternative in the short term is for trade partners to include binding climate change commitments within their existing or future free trade agreements or custom unions negotiated under GATT Article XXIV.

Trade disciplines in these deals such as market access, subsidies, antidumping, technical standards, government procurement, and services could be important contributions to the climate change agenda. Furthermore, the more "mega" the resulting trade agreement in terms of ambition and inclusion of countries, the more mega the contribution would be to the climate challenge.

More details on WTO legal texts and possible legal exceptions for a climate club can be found in a longer research piece published by the E15Initiative: [Addressing Climate Change: A WTO Exception to Incorporate Climate Clubs](#).

Implemented jointly by ICTSD and the World Economic Forum, the E15Initiative convenes world-class experts and institutions to generate strategic analysis and recommendations for government, business, and civil society geared towards strengthening the global trade and investment system.



Beatriz Leycegui Gardoqui
Partner, SAI Law & Economics. Gardoqui is also a member of the E15Initiative Expert Group on [Measures to Address Climate Change and the Trade System](#) and the Expert Group on [Clean Energy Technologies and the Trade System](#)



Imanol Ramirez
Associate, SAI Law & Economics

POST-2015 DEVELOPMENT AGENDA

World leaders set to adopt post-2015 sustainable development agenda

A new sustainable development agenda is due to be adopted by UN members at a high-level summit at the end of September.

UN members on 2 August finalised a new global development agenda outlining a series of international sustainable development priorities for the next 15 years after intense negotiations in New York. The agreed upon outcome document, officially titled "Transforming our World: The 2030 Agenda for Sustainable Development" will be formally adopted at a high-level UN summit held from 25-27 September and go into effect on 1 January 2016, replacing the current Millennium Development Goals (MDGs).

"This is the people's agenda, a plan of action for ending poverty in all its dimensions, irreversibly, everywhere, and leaving no one behind," said UN Secretary General Ban Ki-moon following the conclusion of the post-2015 development agenda outcome document talks.

The 29-page long text consists of five sections including a preamble; a declaration with shared principles and commitments as well as a call for action to change the world; a list of 17 sustainable development goals (SDGs) accompanied by 169 targets; means of implementation (MoI) and a revitalised global partnership for development; as well as details on follow-up and review of efforts to put the agenda into action.

The SDGs, lifted almost directly from a proposal put forward by a specialised UN group in July 2014 with a few framing paragraphs, are designed to tackle in an integrated manner outstanding global challenges such as ending poverty, securing peaceful societies, ensuring access to modern energy, reducing inequality, conserving oceans, and taking urgent climate action.

Co-facilitator of the post-2015 outcome document negotiation process Ambassador Macharia Kamau, Permanent Representative of Kenya to the UN, said that the past few months were the "final lap of an incredible race," according to Earth Negotiations Bulletin. UN members have spent the last five years stitching together various processes in order to craft a global development vision to take over from the MDGs. Many stakeholders have also worked towards increasing attention on environmental issues alongside development priorities within the new framework.

Efforts to secure the post-2015 development agenda often required navigating divergent views among countries. Among the tougher issues in the final stages of the talks included securing means to implement the agenda and its relationship with separate UN financing for development talks; follow-up and review processes; and how to apply the principle of common but differentiated responsibilities (CBDR) between nations.

Trade and sustainable development

Trade features across the post-2015 development agenda. Trade is treated as an engine for growth which, with flanking policies and an enabling domestic environment, can also contribute to sustainable development. According to some experts, this represents a shift from the deployment of trade in the MDGs. In a paragraph not included in earlier post-2015 outcome document drafts, the declaration urges governments to strongly refrain from applying unilateral economic, financial, or trade measures that would impede the full achievement of economic and social development, particularly in developing countries.

Trade tools and policy aims are then spread across the post-2015's SDG section as agreed in July last year. For example, SDG 17 outlines systemic MoI designed to help achieve the goals as a whole, and includes a trade section composed of three aims.

These are the promotion of a universal, rules-based, open, non-discriminatory, and equitable multilateral trading system including by wrapping up the WTO's Doha Round negotiations; significantly increasing developing country exports and doubling poor countries' share of global exports by 2020; and implementing duty-free and quota-free market access for all least developed countries (LDCs), consistent with WTO decisions in this area, as well as ensuring that preferential rules of origin requirements linked to LDC imports are transparent and simple. (See BioRes, [23 July 2014](#))

UN members have spent the last five years stitching together various processes in order to craft a global development vision to take over from the MDGs.

Increasing aid for trade support for developing countries is a target to achieve SDG 8 on promoting sustained, inclusive, and sustainable economic growth, while correcting and preventing trade restrictions and distortions in world agricultural markets, is a target to measure success toward SDG 2 to end hunger and achieve food security.

The latter also refers to the parallel elimination of agricultural export subsidies and measures with equivalent effect in accordance with the Doha Round mandate. Disagreements over agriculture, however, have come to the fore in WTO members' latest efforts to close the long-running talks. (See Bridges Weekly, [30 July 2015](#))

Other trade-relevant elements of the SDG framework cover the development of regional and transborder infrastructure, tackling harmful fisheries subsidies, rationalising inefficient fossil-fuel subsidies, as well as action to end illegal wildlife poaching and trade. The fisheries subsidies target should take into account the ongoing WTO negotiations in this area, although these are also part of the stalled Doha effort. (See BioRes, [8 July 2015](#))

The post-2015 outcome document's MoI and global partnership section, meanwhile, mentions coherent and mutually supportive world trade in the context of an enabling international economic environment needed to enhance national development efforts. In one specific paragraph – moved and amended from the declaration section in previous drafts – international trade is now singled out as an engine for inclusive economic growth and poverty reduction, as well as a contributor to the promotion of sustainable development.

The paragraph continues by pledging to promote the WTO trading system and meaningful trade liberalisation. A call is made for WTO members to redouble efforts to promptly conclude the Doha Round. The importance of providing trade-related capacity-building for developing countries, including for specific segments of the global population, and in relation to the promotion of regional economic integration and interconnectivity is underlined.

Earlier versions of this text would have seen WTO members “resolve” to reach an early agreement on the current multilateral trade talks. An associated resolve to enhance macro-economic and financial stability through improved policy coherence has also been dropped.

Target updates

UN delegates were tasked in July with ironing out disagreements over suggested technical revisions to 21 of the proposed SDG targets. These “tweaks,” put forward by the co-facilitators over the last few months, were designed to remove “X%” listed instead of

Next steps

25-27 September Summit for the adoption of the post-2015 development agenda held in New York and convened as a high-level plenary meeting of the UN General Assembly.

30-11 December Twenty-first Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC COP21) meets in Paris, France aiming to adopt a new climate regime.

15-18 December WTO 10th Ministerial Conference held in Nairobi, Kenya.

8-11 March 2016 47th Session of the UN Statistical Commission held in New York and adopt a global indicators framework for the Sustainable Development Goals.

numbers or to bring the targets in line with other international pledges. However, the move to amend the targets proved controversial among countries, with some cautioning that it could shift the balance of the carefully negotiated SDG outcome. Several countries, meanwhile, supported some but not all of the target alterations.

The final outcome deletes all “Xs” present in the SDGs. Instead the word “substantially” is used, following a recommendation from the co-facilitators that this would set global ambition, while leaving countries the flexibility to determine the right numbers on a national basis. Minor negotiated revisions were also made to improve several targets’ measurability or relationship with other international processes.

Complex relationship

Efforts required to achieve the expansive new agenda are expected to be significant, with an estimated US\$5-7 trillion worth of investments needed annually for its full implementation, and comprehensive regulatory reforms required in a number of countries.

The specific relationship between the post-2015 development agenda and the Third International Conference on Financing for Development (FfD3) held in Addis, Ethiopia 13-16 July, which updated the UN development finance framework, consequently proved a major sticking point between countries. On the one hand, many developed nations supported using the FfD3 outcome to help achieve the post-2015 development agenda, while on the other hand most developing nations argued that the latter required its own separate means of implementation.

The [Addis Ababa Action Agenda \(AAAA\)](#), which also includes a section on trade, acknowledges FfD3’s role in further strengthening the MoI for the post-2015 development agenda and identifies a series of cross-cutting areas to help implement the SDGs. (See [BioRes, 20 July 2015](#))

The MoI section in an 8 July draft of the post-2015 outcome document had welcomed the FfD3 outcome, provided an annex for the FfD3 outcome, included a placeholder paragraph for a Technology Facilitation Mechanism (TFM) – subsequently agreed in Addis – and re-listed the targets identified to support each goal in the SDG framework.

After much back and forth on various options during the fortnight of negotiations at the end of July, parties agreed not to annex the AAAA or re-list the SDG MoI targets, and instead approved 12 paragraphs covering a range of pledges for achieving the post-2015 agenda. The final post-2015 MoI section suggests the new agenda can be met within the framework of a revitalised global partnership for sustainable development, supported by concrete policies and actions outlined in the AAAA, the adoption of which by UN General Assembly at the end of July is mentioned in a footnote.

The document also says that the Addis outcome supports, complements, and helps to contextualise the new agenda’s MoI targets, and is an integral part of the process. Mirroring the AAAA, the post-2015 MoI section formally launches and includes details on the TFM, designed to boost collaboration among stakeholders in support of sustainable development.

Follow-up and review

Countries also clashed throughout negotiations over whether the FfD3 and post-2015 outcomes should have separate or integrated follow-up and review processes, as well as on the relationship between global, regional, and national monitoring efforts. In the final stretch of the July post-2015 talks the US, Germany, Finland, the UK, among others, reiterated views that a single process would be sufficient to track both outcomes, a position resisted by the G77 and China negotiating group.

In a technically-worded balance, the final follow-up and review section welcomes the dedicated follow-up and review outlined in the AAAA, which will be integrated into the

post-2015 follow up process along with the inter-governmentally agreed conclusions of an annual UN Economic and Social Council (ECOSOC) Forum on Financing for Development.

Other parts of the section commit to engage in a systematic follow-up and review of implementation of the new agenda at national, regional, and global levels guided by a series of principles. The SDGs themselves will be assessed using a set of global indicators complemented by regional and national data. The global indicator framework will be developed by the Inter Agency and Expert Group on SDG indicators and will be agreed by the UN Statistical Commission (UNSC) in March 2016.

The High Level Political Forum on sustainable development (HLPF), which meets annually under ECOSOC, will have a "central role" in overseeing the network of follow-up and review processes drawing on an annual SDG progress report prepared by the UN system based on the global indicator framework. Earlier drafts had dubbed the HLPF as the "apex" body of a global review process. (See BioRes, [1 July 2015](#))

The HLPF should carry out regular reviews and encourage reporting from all countries as well as civil society and the private sector on progress around the agenda's aims. Thematic reviews on SDG areas, including on cross-cutting issues, will also be undertaken.

The HLPF will also provide guidance on emerging challenges and mobilise further action to accelerate the post-2015 development agenda's implementation. Countries are encouraged to participate in voluntary reviews at national and regional levels.

Common but differentiated responsibilities

The principle of "common but differentiated responsibilities" (CBDR) also proved a heated topic during the talks as countries grappled to define their terms of engagement in global governance against a backdrop of shifting geopolitical and geo-economic realities.

Many developed countries had argued that the principle should only apply in environmental contexts, and was therefore not applicable to the framework as a whole, a position resisted by the G77 and China.

First enshrined in the 1992 Rio Earth Summit declaration, the principle establishes that all countries are responsible for the integrity of the earth's system, but recognises countries differing responsibilities to act depending on national capabilities. The term is also used in the UN Framework Convention on Climate Change (UNFCCC) text.

The final outcome reaffirms the principles of the Rio Earth Summit including CBDR. After nearly 36 hours of negotiations into overtime delegates decided not to make a second mention of the CBDR principle elsewhere in the document.

The declaration section does include a paragraph looking ahead to a pivotal UNFCCC meeting due to be held in Paris, France, affirming that a planned deal on that occasion should cover climate mitigation, adaptation, finance, technology development and transfer, capacity building, and transparency of action efforts.

Towards implementation

While some stakeholders hailed the final document as a "massive step forward" in addressing sustainable development for all peoples, particularly the most vulnerable and marginalised groups in society, others cautioned that a key part of the agenda's success will be linked to its implementation in the years ahead. Many stakeholders will be eyeing the voluntary, but politically significant outcome, for its impact on other international processes such as the UN climate talks.

The collection of viable and accurate data has also been targeted by a number of experts as an integral aspect of SDGs' success and attention will now likely shift towards efforts to hammer out a global indicator framework.

UNFCCC

UN officials to prepare new text for Paris climate deal

Countries have five negotiating days left before a December meeting set to finalise a new climate architecture.

The co-chairs of talks geared towards hammering out a new, multilateral climate regime have been given a mandate by nearly 200 governments to produce a new draft negotiating text. Meeting in Bonn, Germany from 31 August-4 September, parties to the UN Framework Convention on Climate Change (UNFCCC) agreed that the document should be “concise,” outline “manageable options,” and be based on a “Geneva Negotiating Text” (GNT), taking into account discussions held throughout the week.

Ahmed Djoghlaif of Algeria and Daniel Reifsnyder of the US, the officials charged with steering the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), will release the text at the beginning of October in time for the next negotiating session later that month. A flurry of media activity greeted the move, with some key stakeholders welcoming the development as evidence of progress, while other commentators suggested otherwise. Parties have committed to securing a universal emissions-cutting deal in time for meeting in December in Paris, France. It should come into effect at the end of the decade, on expiry of the current Kyoto Protocol, while also outlining efforts to boost climate action before that time.

Uneven progress

Climate negotiators were in Bonn tasked with producing a clearer understanding and articulation of elements for the planned Paris deal. The complex talks were aided by an 83-page document released by Djoghlaif and Reifsnyder in July as an informal tool to help organise a plethora of textual proposals captured in the GNT. (See [BioRes](#), 28 July 2015)

Several areas saw some progress in Bonn with some parties and groups submitting textual proposals for discussion, clarifying concepts and positions, and identifying key aspects for the deal. However, such momentum was not uniform across all areas or represented final landing zones, according to several sources. Reports also suggest that parties' visions for the structure of the final Paris deal continue to differ, with some arguing that more content should go into an international “agreement” that would be more permanent, while others would see more emphasis placed on “decisions” adopted by parties to operationalise the agreement.

Shared climate action

A spin-off group from the mitigation talks saw parties narrow down the thorny concept of “differentiation” between countries' ability and responsibility to take climate action, leaving Bonn with three possible interpretations, including self-differentiation, reference to the Convention, and differentiation based on categories of parties as developed and developing countries.

A mitigation spin-off group on response measures, which deals with the impact of unilateral climate action on poorer nations, reached an understanding on possible options for inclusion within an agreement – focused on what parties would like to achieve on the issue – and potential elements for decisions – focused on how to achieve it. An option for no arrangements on response measures has also been kept. Under the agreement parties are considering strengthening existing or new institutional arrangements, poverty eradication and food security, among other areas. The decision might address topics such

as a permanent forum on response measures, modalities for international cooperation on the issue, or recommend specific actions.

Another spin-off group on market mechanisms saw several parties support using carbon markets as a mitigation option. These highlighted the need for an explicit mention in the agreement that market mechanisms allowing for the international transfer of mitigation units may be used, as well as for a work programme to develop guidelines for consistent accounting and standards for ensuring environmental credibility. However, some differences persist on the concrete functioning of market mechanisms, the extent of implementation details, and on a variety of related definitions.

Discussion on a long term emissions cutting goal reportedly covered aspects such as its placement within the deal, whether it would call for peak or zero net emissions, and timing. G7 leaders in June called for a decarbonisation of the global economy over the course of the century, while other nations would see this occur sooner, and still others resist the concept altogether. (See BioRes, [11 June 2015](#))

Delegates also discussed arrangements for reviewing countries "intended nationally determined contributions" (INDCs), in other words, the individual pledges parties have decided will form the building blocks of the post-2020 climate regime. While many parties agreed that this should be a key element for consideration in the final deal, some nations warned against using a "naming and shaming" approach.

In the technology talks, a proposal by the African Group of negotiators for a framework for enhanced action on technology development and transfer gained some traction, although disagreement surfaced over its placement in the agreement or decision. Parties also discussed a possible global goal for technology but did not move to convergence or draft text. Related discussion on whether the Paris deal should address intellectual property rights also proved inconclusive.

In the finance discussions parties did appear to move towards consensus on continuing to use the institutional arrangements under the current financial mechanism for the new deal. In connection with adaptation developed and developing nations put forward different proposals for dealing with loss and damage linked to climate change-related disasters. The G77 and China are pushing for richer nations historically responsible for a large portion of climate-warming greenhouse gas emissions to support a climate change displacement coordination facility.

Ministerial engagement

Shortly after the Bonn talks, ministers and senior officials from 57 countries gathered in Paris from 6-7 September for an informal consultation led by the French, focused on climate finance, adaptation, and loss and damage. While not part of the official negotiations, several players have said that such political engagement is important to help navigate tougher areas.

The meeting saw ministers from developed countries that have pledged to scale up US\$100 billion a year in climate funds by 2020 on Monday release a [joint statement](#) outlining a common methodological framework to track progress towards this goal and present a definition of climate finance to include both public and private-leveraged funds. On Tuesday a French [press release](#) indicated that the OECD has been asked to prepare a report on climate funds and methodologies to bring further clarity to the talks.

Some sources expect ministers to agree to a "finance package" to feed into the Paris deal on the margins of the International Monetary Fund and World Bank annual meetings scheduled to be held in Lima, Peru 9-11 October. UN Secretary General Ban Ki-moon, meanwhile, is due to host a meeting of heads of state on the side of a high-level summit to adopt a post-2015 development agenda in New York in late September. A set of Sustainable Development Goals (SDGs), which form part of the new framework, call for urgent action on climate change and its impacts.

The newsroom

Be sure to visit ictsd.org/news/biores regularly for breaking trade and environment news

APEC targets illegal wildlife trade

The 21-nation Asia-Pacific Economic Cooperation (APEC) alliance are reportedly aiming to increase efforts to tackle illegal wildlife trafficking in the region, following escalating levels of fauna and flora poaching, and renewed global attention to the challenge.

Anti-corruption authorities, customs bureaus, and law enforcement agencies from APEC members gathered for a meeting in Cebu, the Philippines at the end of August focused on identifying illegal wildlife trade supply chain weaknesses and building public and private sector capacity to address these. Strengthening customs and border security were among the other measures advanced at the meeting.

Wildlife trafficking aggravates the risk of species extinction, enables organised crime, and threatens local livelihoods. Some experts have said that, although the issue has not always been high on the agenda for Asian governments, recent signs of a turnaround are becoming more evident.

Germany moves to ban GMO crop farming

Germany plans to ban farming crops derived from genetically modified organisms (GMO) by making use of new EU biotechnology opt-out rules, according to media reports. EU lawmakers struck a deal last March allowing member states to either restrict or ban the cultivation of GM crops within their territory even once these have been given the green light in Brussels. The move came after years of deadlock between member states on the topic.

EU members have until 3 October to inform the Commission if they want to use the GMO opt-out. German Agriculture Minister Christian Schmidt has reportedly asked the nation's state authorities to indicate by 11 September whether their region should be included.

Although some stakeholders cite evidence that biotechnology techniques are safe, and the practice is already widespread in the Americas and in Asia, the issue has proved a source of contention in the EU.

Brazil backs zero carbon goal during Merkel visit

Brazil's president Dilma Rousseff expressed the country's support for the decarbonisation of the global economy by the end of the century, during a visit in August by German chancellor Angela Merkel to Brasilia, with the two leaders issuing a [joint statement](#) on climate change.

The document underscores both countries' ambition vis-à-vis the UN climate talks that are scheduled to deliver a new post-2020 emissions-cutting regime this December in Paris, France. The two leaders pledge to increase mitigation and adaptation action at scale, including in the areas of forest and land use, renewable energy, energy efficiency, low-carbon technologies, sustainable cities, and adaptation to climate change. The occasion saw Germany commit over €580 million to help with these new initiatives.

On a visit to the US in June, Rousseff had pledged to source 28-33 percent of the country's total energy from renewable sources by 2030, eliminate illegal deforestation and restore 12 million hectares of forest by the same year.

European Parliament toughens seal ban

Members of the European Parliament voted in plenary in early September on a Commission proposal to extend an EU ban on trade in seal products, removing a former exception that allowed for the sale of products on the bloc's internal market from seals hunted in order to protect fish stocks. Seal products derived from Inuit and other indigenous community hunts will continue to be exempt from the ban.

The EU's 2009 seal products ban, the result of several decades of public pressure and disparate national regulatory efforts, was challenged by Canada and Norway at the WTO.

The global trade arbiter in June 2014 found that, while the moratorium could be justified based on the EU public's moral concerns over seal hunting, further clarification on the listed exceptions was needed as these appeared an "arbitrary" and "unjustifiable" in trade terms. The EU has been given until 18 October to bring its seal regime in line with WTO rules.

US unveils flagship climate change rule

US President Barack Obama announced the final version of the Clean Power Plan (CPP), the nation's first ever climate change policy to set mandatory limits on carbon dioxide emissions from existing coal and gas-fired power plants, during a White House briefing held on Monday 3 August.

In his speech, Obama labelled these final rules as “the single most important step America has ever taken in the fight against climate change,” since power plants are responsible for some 31 percent of the US’ climate-warming carbon dioxide emissions. According to US data, there are around 1000 fossil fuel fired power plants in the country, and this ruling will cover 3100 units.

The CPP is drafted by the US’ Environmental Protection Agency (EPA). The final CPP is designed to cut existing power plant carbon emissions by 32 percent in 2030 against a 2005 baseline, an increase from the 30 percent cut eyed in a June 2014 draft. The regulation will reduce overall US emissions by an estimated 10 percent compared to 2005 levels, slated as a key building bloc of the Obama Administration’s 2013 Climate Action Plan, itself designed to unleash a range of executive climate policy initiatives.

UN carbon offset scheme faces scrutiny

According to a study published by the Stockholm Environment Institute (SEI) in August, almost 75 percent of carbon credits issued under the UN’s Joint Implementation (JI) scheme may not represent actual emission reductions or came from projects with questionable environmental integrity, likely resulting in an increase in global emissions.

The JI was designed to allow countries with emissions reduction obligations under the Kyoto Protocol to the UN Framework Convention on Climate Change (UNFCCC) to earn emissions reduction units (ERU) from projects undertaking in another country with greenhouse gas cuts obligations. In the Kyoto Protocol context, only developed countries were to reduce emissions. Host countries must cancel one of their own emissions allowances for every ERU used in order to avoid double counting.

The SEI study suggests that the majority of JI ERUs are unlikely to have represented genuine, additional climate action, mainly due to projects located in Russia and Ukraine. The results may help to inform UNFCCC discussions on carbon trading rules in a new post-2020 climate regime negotiators are hoping to ink in December.

US agency reveals plan for methane emissions

The US Environmental Protection Agency (EPA) on Tuesday 18 August proposed standards to help tackle methane emissions from the nation's oil and natural gas industry. The move comes as part of US President Barack Obama's bid to tackle climate change across different sectors of the nation's economy through of a Climate Action Plan announced in June 2013.

The new rules, which would complement other existing voluntary efforts, would apply to new or modified sources of oil and natural gas only. Owners and operators would be required to find and repair leaks, capture natural gas during the completion of hydraulically fractured wells drilled primarily for oil, and limit emissions from pneumatic pumps and several other types of equipment.

These regulations should help the US reach a goal of cutting methane emissions from the oil and gas sector by 40 to 45 percent from 2012 levels by 2025, a target signalled by the Obama Administration last in January, and building on a strategy released in April 2014. The methane emissions cuts also sit within the US' broader plan to reduce greenhouse gas emissions by 26-28 percent below 2005 levels by 2025.

Coral reefs under threat from climate change

With an estimated 70 percent of the world's global coral reefs already threatened or destroyed, some academics have suggested that a bleak future lies ahead, even if climate change talks in December are very successful.

According to Professor Peter Sale from the University of Windsor, Canada, the current climate ambition of keeping average atmospheric temperatures below a two degree Celsius rise from pre-industrial levels is insufficient.

A more forceful and decisive response is deemed necessary to avoid coral reefs to be completely wiped out by ocean warming and ocean acidification. The international community should instead aim for a one degree Celsius threshold. However, the problem is not only limited to global warming but extends to a number of other human impacts that threaten ocean biodiversity including pollution and overfishing, which should also be urgently managed.

Coral reef ecosystems support around 33 percent of marine fish species. Some estimates suggest that changes in ocean acidity could cost communities nearly US\$1 trillion per year by 2100.

Publications and resources

Suggested publications and resources do not necessarily reflect the views of ICTSD



Aligning Policies for a Low-Carbon Economy – OECD, IEA, ITF, NEA – July 2015

This report, published by the Organisation for Economic Co-operation and Development (OECD) with the International Energy Agency (IEA), International Transport Forum (ITF), and the Nuclear Energy Agency (NEA), identifies misalignments between existing regulatory frameworks and climate action. The report points to a number of problem areas covering multiple policy domains including, but not limited to, finance, taxation, trade policies, and innovation, in relation to three specific sectors linked to climate change: electricity, urban mobility, and land-use.

The report can be found at <http://bit.ly/1JPXouU>



OECD-FAO Agricultural Outlook 2015-2024 – OECD, FAO – July 2015

This joint publication, by the Organisation for Economic Co-operation and Development (OECD) and UN Food and Agriculture Organization (FAO), provides projections to 2024 for major agricultural commodities, biofuels, and fish. The report also includes a special feature on Brazil. The report identifies strong crop yields, higher productivity, and slower growth in global demand as factors contributing to a gradual decline in real prices for agricultural prices in the coming decade.

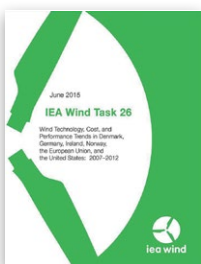
The publication can be accessed at <http://bit.ly/1R42w5f>



Global Sustainable Development Report – UN – June 2015

This report, prepared by scientists, government officials, and various other stakeholders from around the world coordinated by the UN system, was presented to UN member states at the High-Level Political Forum on Sustainable Development held in June and is designed to assess global progress on sustainable development. The publication provides a survey of scientific findings on oceans and livelihoods, sustainable consumption and production, disaster risk reduction, industrialisation, and the use of big data in Africa.

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



Wind Technology, Cost, and Performance Trends – IEA Wind – June 2015

This publication, issued by the International Energy Agency Implementing Agreement for Cooperation in Research, Development, and Deployment of Wind Energy Systems (IEA Wind), provides an overview of trends in wind plant technology including the cost and performance of wind facilities in Denmark, Germany, Ireland, Norway, EU, and US. These countries make up the IEA Wind Task 26 group, an international collaboration aimed at exploring past, present, and future wind energy costs.

The publication can be found at <http://bit.ly/1KJbWQj>



Innovation and Diffusion of Green Technologies: The Role of Intellectual Property and Other Enabling Factors – WIPO – June 2015

Published by the Global Challenges Division of the World Intellectual Property Organisation (WIPO), this report examines enabling factors for the development, diffusion, and financing of new environmentally sound technologies, that could act as effective solutions to the climate change challenge.

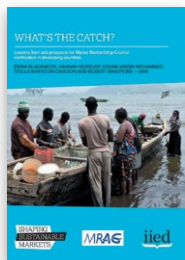
The report can be found at <http://bit.ly/1IDOq1b>



A New Climate for Peace: Taking Action on Climate and Fragility Risks – IA, Wilson Centre, ISS – June 2015

This independent report, commissioned by the G7 group of wealthy nations and authored by International Alert (IA), The Wilson Centre, and the EU Institute for Security Studies (ISS), identifies seven climate-fragility risks that pose serious threats to the stability of states and societies in the decades ahead. The report recommends that the G7 take concrete action, both as individual countries and jointly, to increase the resilience of states and societies to various climate risks.

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



What's the Catch? Lessons From and Prospects for Marine Stewardship Council Certification in Developing Countries – IIED – June 2015

This report, published by the International Institute for Environment and Development (IIED), assesses barriers and drivers linked to certification schemes offered as market-based incentives for sustainable fishing. The report evaluates the environmental and socio-economic impacts of the Marine Stewardship Council (MSC)'s fisheries certification and outlines future research needed to understand how developing countries can overcome the challenges of achieving MSC certification.

The report can be accessed at <http://bit.ly/1TdE8PP>



Managing the Transition from the Millennium Development Goals to the Sustainable Development Goals: What it Will Take – UN ECOSOC – April 2015

This report, published by the United Nations Economic and Social Council (ECOSOC), explores what it will take to transition from the Millennium Development Goals to the post-2015 development agenda. It emphasises that policy integration based on the three dimensions of sustainable development will need to become the new operational standard, supported by a greater emphasis on achieving integration, alongside coherence across actors and sectors.

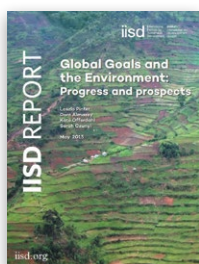
The report can be found at <http://bit.ly/1ByEeUx>



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

The final version of this report, the result of 18 months consultative work led by the Sustainable Development Solutions Network (SDSN) with contributions from over 500 organisations and thousands of individuals, outlines how a comprehensive indicator framework might be established to support the goals and targets outlined in the UN's Sustainable Development Goals (SDGs).

The report can be found at <http://bit.ly/1DMsAfp>



Global Goals and the Environment: Progress and Prospects – IISD – May 2015

Published by the International Institute for Sustainable Development (IISD), this report provides an overview of progress on Millennium Development Goal (MDG) 7 Ensuring Environmental Sustainability, based on official indicators and data. The report uses statistical evidence to pinpoint what goals and targets have been met, when, and where, and identifies areas around which progress has been slow. The authors demonstrate that health ecosystems are a prerequisite to meeting some of the most essential goals of global development.

The report can be accessed at <http://bit.ly/1h8Omzs>

EXPLORE THE TRADE AND SUSTAINABLE DEVELOPMENT
WORLD FURTHER WITH ICTSD'S BRIDGES NETWORK

BRIDGES

Trade news from a sustainable development perspective
International focus - English language
www.ictsd.org/bridges-news/bridges

BIORES

Analysis and news on trade and environment
International focus - English language
www.ictsd.org/bridges-news/biores

BRIDGES AFRICA

Analysis and news on trade and sustainable development
Africa focus - English language
www.ictsd.org/bridges-news/bridges-africa

PUENTES

Analysis and news on trade and sustainable development
Latin America and Caribbean focus - Spanish language
www.ictsd.org/bridges-news/puentes

МОСТЫ

Analysis and news on trade and sustainable development
CIS focus - Russian language
www.ictsd.org/bridges-news/мосты

PONTES

Analysis and news on trade and sustainable development
International focus - Portuguese language
www.ictsd.org/bridges-news/pontes

桥

Analysis and news on trade and sustainable development
International focus - Chinese language
www.ictsd.org/bridges-news/桥

PASSERELLES

Analysis and news on trade and sustainable development
Francophone Africa focus - French language
www.ictsd.org/bridges-news/passerelles



International Centre for Trade and Sustainable Development

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

BIORES is made possible through generous contributions of donors and partners including

DFID - UK Department for International Development

SIDA - Swedish International Development Agency

DGIS - Ministry of Foreign Affairs Netherlands

Ministry of Foreign Affairs, Denmark

Ministry of Foreign Affairs, Finland

Ministry of Foreign Affairs, Norway

Department of Foreign Affairs and Trade, Australia

BIORES also benefits from in-kind contributions from its contributing partners and Editorial Advisory Board members.

BIORES accepts paid advertising and sponsorships to help offset expenses and extend access to readers globally. Acceptance is at the discretion of editors.

The opinions expressed in the signed contributions to BIORES are those of the authors and do not necessarily reflect the views of ICTSD.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International [License](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Price: €10.00
ISSN 1996-9198

