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Making trade and environment policies work for Africa

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Making trade and environment policies work for Africa

In just over a month WTO members will gather in Nairobi, Kenya for the global trade body's Tenth Ministerial Conference (MC10). The meeting will follow hot on the heels of a bid by UN members to ink a new, multilateral climate change regime in Paris, France to come into effect at the end of the decade. The deal should be capable of keeping the planet below a two degree Celsius rise from pre-industrial levels, in other words, countries will need to craft a comprehensive international cooperative architecture to ensure continued climate action across a range of policy areas.

With these milestone events ahead, the international community faces a busy end to the year, and many tricky issues to navigate. The outcomes for the Nairobi meet remain unclear at the time of writing – as WTO members seek to pin down specific deliverables and address systemic questions related to the Doha Round trade talks – while the climate negotiations must navigate a complex bracketed text and implementing decisions.

As far as trade is concerned, African economies account for around just two percent of world trade, and continue to face a host of challenges in linking to markets both regionally and globally. On the climate front, Sub-Saharan Africa has been identified by climate scientists as among the most vulnerable regions, in part due to a dependence of its agriculture on rainfall.

Acknowledging the breadth of the topic at hand, and the rich discussion on both African trade and environment policy respectively, the articles in this BioRes edition address just a few specific areas at this nexus. Our lead article looks at potential policy synergies around the Aid for Trade initiative, fisheries, and food security, with a particular eye on African economies where nearly 220 million people remain undernourished. Additionally, a second article presents case studies of successful efforts by certain African countries to pursue sustainable growth through green economic strategies and outlines key lessons learned, while other authors demonstrate how mainstreaming gender concerns into trade policy can deliver more inclusive outcomes in the fisheries sector in The Gambia.

More generally, and continuing our coverage of the now-adopted UN 2030 Sustainable Development Agenda, one article looks at possible tools for monitoring the trade targets contained therein. As suggested by the authors, the Sustainable Development Goals will not directly change policy, but a good review process might. UN members have, moreover, agreed that disaggregated data and reviews will be important for ensuring that the 2030 Agenda delivers for regions such as Africa as well as the world.

As we move into the final stage of what has been a pivotal year of international summitry, some final hurdles must yet be crossed, with much at stake. BioRes, along with ICTSD's flagship publication Bridges, will provide reporting from both the UN climate talks and MC10. Make sure to subscribe to our email service here for latest news delivered straight to your inbox.

The BioRes Team

AID FOR TRADE

Identifying policy synergies on Aid for Trade, fisheries, and food security

Amadou Tall

Fisheries play a role in ensuring food security and income. What trade-related support is needed to help secure similar positive outcomes in the face of future pressures on stocks?

One of the aims of the Millennium Declaration adopted in 2000 was to halve the proportion of people suffering from hunger by 2015. Disappointingly, however, persistent hunger and malnutrition continue to be a very significant problem for the international community. An average of 842 million people around the world fight hunger every day and approximately two billion face micronutrient deficiencies. More than 200 million children under five years old are victims of malnutrition. The prevalence of hunger is highest in Sub-Saharan Africa (SSA) where one in every four Africans or 218 million people are undernourished, while 35 percent of the population are projected to live in poverty in 2015. Hunger and undernourishment attack the very foundation of human development. Food security and human development are therefore mutually reinforcing. In 1996, a World Food Security Summit organised by UN Food and Agriculture Organization (FAO) in Rome, Italy defined food security as a state when "when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. The four pillars of food security are availability, access, utilization and stability."

Commitments towards curbing food insecurity

There is no life without food and no human development without food security. This maxim is well understood by world leaders who recognise that food security and nutrition have become a tenacious global challenge. This is why commitments have been reiterated towards enhancing food security for present and future generations consistent with the fundamental right of everyone to be free from hunger. The role of fish and fishery products in global food security is recognised, moreover, and addressed in international forums such as the Committee on World Food Security. Additionally, world leaders consider that environmentally friendly practices and sustainable aquaculture development will play an important role around food security and nutrition, as well as providing livelihoods for millions of people.

Aid for trade

Aid for Trade is a global initiative launched in 2005 following the WTO's Hong Kong ministerial conference where countries agreed to expand aid to help developing countries boost exports of goods and services, in order to reap benefits from free trade and increased market access. Trade can be a powerful engine for economic growth, poverty reduction, and fighting food insecurity. Harnessing this potential, however, is difficult for many developing countries. This is particularly true for least developed countries (LDCs) that often lack capacity in terms of information, policies, procedures, institutions, and infrastructure for integrating and competing effectively in global markets. For fish and fishery products, specifically, cold chain infrastructure and market access are some of the most critical barriers to international or regional trade. The key components to the Aid for Trade initiative include building capacity to formulate trade policy, participate in negotiations, and implement agreements; developing economic infrastructure by investing in the infrastructure – roads, ports, telecommunications, energy networks – needed to link products to global markets; productive capacity building including strengthening economic sectors – from improved testing laboratories to better supply chains – to increase competitiveness in export markets; and adjustment assistance to help with any transition costs from liberalisation – preference erosion, loss of fiscal revenue, or declining terms of trade.

The role of fish in food security and nutrition

Fish are an important source of protein for many across the world, particularly for African countries, and especially for poorer segments of the population. Fish are considered a "rich food for poor people" and can play an important role in improving Africa's food security and nutrition status. In certain small island developing states (SIDS), such as the Seychelles, Comoros, and Mauritius, per capita fish supply is one of the highest in the world. Although humans cannot live on fish alone, small quantities of fish in human diets can make a decisive difference to a variety of health concerns including, among others, brain, bone, and muscle tissue development, prevention of blindness, heart attacks, cancer, and mitigating the effects of HIV/AIDS. Fish are highly nutritious, rich in essential micronutrients, minerals, essential fatty acids and proteins, and represent an excellent supplement to nutritionally deficient cereal-based diets.

Table 1: The role of fish as food and source of employment

Fisheries & aquaculture sector	Protein	Protein & nutrients	Employment		
	17 percent world total protein intake, 40 percent in SIDS, 94 percent in the Solomon Islands, 22-50 percent in SSA	Three billion people	56 million people employed, 15 percent of which are women	200 million along GVC, women fish traders 60 percent in Asia and Arica	Livelihoods for 600-820 million or 9-12 percent of the world's population

Source: Compilation provided by the author, 2015

Based on the four pillars of food security – utilisation and nutritional value, availability, access, and stability – fish already provide an important albeit under-recognised contribution in global food security. In terms of utilisation and nutritional value, as mentioned above, fish are a key source for protein and micronutrients. In terms of availability, the total world production in 2013 was 160 billion kilograms (kg), with Africa accounting for nine billion kg. Global trade in fisheries products are worth around US$134 billion of which Africa holds US$4.8 billion. Rising demand for fish and fishery products was met following a robust increase in aquaculture, with the World Bank stating that aquaculture production will be about 93 billion kg by mid-century.

Meanwhile, concerns abound regarding future supply and demand dynamics for fish, due to an expected world population growth of 20 percent between 2010 and 2030. Disparities exist in per capita fish consumption between regions. More than 200 million Africans, meanwhile, eat fish regularly. As fish is the most traded food commodity worldwide lower costs of trade – good quality infrastructure transportation and cold chain – would reduce post-harvest losses and lower fish prices. Although the global supply of fish from fisheries and aquaculture has been relatively stable in recent years, price fluctuations can occur in line with other food sources. During the 2007-2008 crisis, for example, fish products prices rose. Responsible fisheries management, marketing and utilisation, as well as sound aquaculture development and empowerment of women are essential to stabilised fish prices.

Trade-related support and fisheries

Fish and fish products are highly perishable, requiring timely harvesting and procurement practices, along with efficient transportation and advanced storage, processing, and packaging facilities for marketing. FAO work revealed that post-harvest losses could be greater than 30 percent of global catches and as much as 50 percent during peak periods.

To address these deficiencies in developing countries specifically, Organisation for Economic Cooperation and Development (OECD) economies, the G7, international development banks, and selected multilateral specialised agencies such as the UN

Development Programme, the FAO, UN Industrial Development Organization (UNIDO), and the WTO under the framework of the Aid for Trade initiative have provided financial and technical assistance to upgrade trade policy and regulatory environments, including trade facilitation and quality infrastructure.

Selected Aid for Trade programme outputs relevant to fisheries include capacity building on the role and utilisation of ice including solar powered ice making; construction of improved landing sites designed to reduce post-harvest losses through cold chain infrastructure; value chain analysis; improved national sanitary, trade policy, and regulatory frameworks; e-customs and e-trade pilot projects; adoption of regional common external tariffs and rules of origin (RoO); development of a regional payment systems.

Other efforts have been made specifically with regard to food security. In 2011, for example, the then-G8 pledged US$3 billion to alleviating hunger and boosting fish security in Africa. Many initiatives and activities have also been established by international non-profit groups such as Friends of the Sea or WWF to ensure the continued role of fish in global food security. These include protecting and restoring the health, productivity, and resilience of marine ecosystems; promoting sustainable fisheries and aquaculture; capacity-building and technology; adoption of different management approaches to human activities that impact the productivity of marine ecosystems and the safety of fish; promoting of the roles of small-scale fisheries and aquaculture in global food security; encouraging innovations in seafood production including oyster culture; and mainstreaming fish in global, regional, and national measures on food security.

African, Caribbean, and Pacific Group States (ACP) have benefited from fish and fishery products trade development projects funded by developed countries. More specifically, these projects have focused on post-harvest reduction through capacity building and equipment, quality infrastructure, and trade facilitation.

Consequently, recipient countries improved cold chain infrastructure, along with the safety and quality of the value added products manufactured in their processing plants, helping to increase market access to major fish importing countries such as the EU, US, Japan, and China. Most African fish exporting countries are now accredited by the EU Food Veterinary Service and by the US Food and Drug Administration (FDA).

Pressures on fish stocks

Unsustainable fishing methods and practices in fisheries exploitation and aquaculture farming have nevertheless led to the overexploitation of around 59 percent of existing fish stocks; illegal, unreported, and unregulated (IUU) fishing account for between 11-26 billion kg of world fish catch; other impacts from habitat alteration and destruction; and marine pollution. Climate change and ocean acidification will have an impact on fish stock volumes and distribution. Increased demand will also add to pressures on fish stocks.

The way forward

The links between fisheries and food security are clear. Getting trade policies right will help to ensure that these links are mutually supportive and positive in the face of future, rising demand and marine sustainability challenges. Through the Aid for Trade initiative developed countries have funded technical assistance programmes for developing economies, in particular the ACP countries, to strengthen health and sanitary systems as well as trade facilitation measures to boost exports.

African countries, meanwhile, have adopted liberal trade measures and are moving towards a Continental Free Trade Agreement (CFTA) and also promoting intra-regional trade. Countries rich in fishery resources have been increasing their exports regionally and internationally through African Growth and Opportunity Act (AGOA), EU Economic Partnerships (EPAs), and other Aid for Trade initiatives. Further assistance is still needed, however, to continue building up solid infrastructure and value chain development for small-scale fisheries and potential fisheries product exporters.

Amadou Tall
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GREEN GROWTH

Building inclusive green economies for Africa's sustainable development

Joy Aeree Kim

Harnessing a strong endowment of natural resources and skills, Africa can become a model of green economic transformation, demonstrating that growing without eroding the underlying stock of natural wealth is possible.

African economies have been expanding fast with an average growth rate of 5.1 percent between 2002 and 2011. This trend is expected to continue in many sub-regions. Despite such rapid growth, Africa is still facing serious challenges. According to the World Bank, 48.5 percent of people in Sub-Saharan Africa live in extreme poverty. The African population is expected to double to two billion by 2050, and the average youth unemployment rate stands at over 12 percent, according to the International Labour Organisation (ILO).

Green economy initiatives in Africa
Recognising that the green economy[1] could play a pivotal role in achieving sustainable growth in Africa, leaders from the continent have made a strong commitment to orient domestic development paths towards long-term sustainable development. As of today 14 countries in the region have, or are in the process of, developing green economy strategies or action plans at the national level. This includes Burkina Faso, Egypt, Ethiopia, Ghana, Kenya, Mauritius, Mozambique, Rwanda, Senegal, Sierra Leone, South Africa, Uganda, Tunisia, and Zambia.

Several countries have also succeeded in making the green economy an integral part of national development planning. In Kenya, for instance, the country's Green Economy Strategy and Implementation Plan has now become part of its medium-term plan for 2013-2017. This is based on the understanding that national development planning processes should be reframed in the context of green economy for successful sustainable development outcomes.

African leaders' determination to move towards a more inclusive and greener economy has also been demonstrated through the African Ministerial Conference on the Environment (AMCEN). During the 14th AMCEN session in 2012, the decision on Africa's post-Rio+20 Strategy for Sustainable Development established mechanisms that provide coordinated support to member states for the promotion of the green economy in Africa, including the development of partnerships and national strategies, the promotion of regional and international cooperation, and the transfer of resource-efficient and green technologies and know-how.

Potential impact of green economy
Green economy assessments have played a catalytic role for action on national green economy initiatives in the region as distributed by the UN Environment Programme (UNEP). Undertaken across ten African countries over the past four years, the assessments clearly demonstrate how the green economy could accelerate wealth creation in Africa by increasing growth, generating jobs, reducing poverty, and improving the overall well-being of the population.

The assessments analyse comparative economic, environmental, and social implications of green economy investment scenarios to business-as-usual (BAU) scenarios. For example, gross domestic product (GDP) growth in Kenya is projected to be 12 percent higher by 2030 under a green economy scenario, compared to a BAU scenario. The assessments of Burkina Faso, Kenya, Senegal, and South Africa all demonstrate that green economy

Challenges at hand

Around 76 percent of households across Africa are not connected to the grid, and 70 percent do not have access to improved sanitation, according to a recent UNEP report. These much-needed economic growth and development priorities will, however, need to be balanced with environmental goals given that socio-economic development and natural capital wealth are closely linked in Africa.

policies will be an important source of new employment. Investments in the expansion of solar and wind capacity in Senegal are projected to generate between 7600 and 30,000 additional jobs by 2035. In Burkina Faso, 160 million more jobs could be created under a green economy scenario than the corresponding BAU scenario, reaching 27.6 to 27.7 million additional jobs by mid-century. In Kenya a shift in investment to green sectors leads to an additional 3.1 million people being lifted out of poverty by 2030. Such wealth creation includes natural wealth as well. A key message in terms of the latter is that, by investing and stewarding the continent's natural capital, Africa could move far ahead of others in terms of inclusive growth.

Ensuring adequate domestic environment

In order for the identified green economy opportunities to be realised, however, appropriate policy environments should be put in place. Crucially, using sound regulatory frameworks coupled with appropriate pricing and incentives, green investments could accord sustainable benefits more inclusivity.

Effective regulations are also contingent upon rigorous monitoring and enforcement mechanisms. Kenya, for instance, has instituted several effective policies for monitoring and compliance including tax exemptions on renewable energy projects and environmental regulations for biodiversity conservation, water quality, and waste management.

A wide range of green economy policies are already being implemented across countries in Africa. In particular, fiscal policy reform can open new space for growth, investment, and social protection, the hallmarks of an inclusive green economy. At the same time fiscal policy can provide the necessary incentives to induce green investment and changes in consumer behaviour.

South Africa, for example, has already announced the introduction of a carbon tax in 2016. If managed with careful consideration of potential side effects, the carbon tax could help the country reduce carbon dioxide emissions, by providing appropriate market signals to curb unnecessary or wasteful consumption. The carbon tax can also generate substantial resources that can be used to finance social protection and investments in education, health, as well as green sector research and development to stimulate innovation. Careful design of incentives is nonetheless crucial given that these may have an impact on trade and competition.

The removal of harmful subsidies can also create fiscal space for new investments in green sectors and the provision of essential services. According to International Monetary Fund (IMF), reforming fossil fuel subsidies in Africa would free up public resources, amounting to 1.4 percent of the region's GDP. The government of Ghana, for example, removed fossil fuel subsidies in June 2013, freeing up public resources of around US$1 billion per year that will be used to implement inclusive green economy policies.

Any economic transition requires adjustment and planning at all levels. Actors with fewer resources, however, may be disproportionately affected if they have less access to information about future conditions, less access to supportive networks or innovation hubs, or if they are subject to high upfront costs. Thus, in the short run, green economy investments need to be associated with adjustment costs for certain segments of the population that are most affected or are most vulnerable. Specific and direct support may be required where upfront costs, such as energy investment, are significant. The Ghana renewable energy fund is a successful example of resource mobilisation for the promotion of renewable energy sources. This initiative encourages private investments in the renewable energy sector by lowering upfront capital investment costs.

Development planning

In order for ongoing green economy initiatives in Africa to accelerate, however, all development planning processes should be reframed in this context. The green economy should be a backbone of not only national, but also sub-regional, and regional strategies.

Moreover, once the green economy becomes an integral part of development planning, a budget needs to be relocated for green investment and this requires socialisation of the democratic process towards the green economy. Institutional readiness is essential to mainstreaming the green economy in all development planning.

At the national level an inter-ministerial approach to implementing the green economy is crucial as relevant policies cut across all arms of government. In particular, leadership by the ministries of finance, economy, and planning is needed along with the support of the ministries of environment.

A wide range of stakeholder consultations, including with civil society and the private sector, are also pivotal for a successful green economic transformation. Technical support from regional organisations may be required to integrate green economy policies in development planning. Regional organisations could support countries by fostering cooperation for a common vision and knowledge sharing on good practices and success stories.

Financing the green economy

Innovative solutions for financing the green economy – both internal and external – are the key next step to a successful transformation to sustainable growth. Significant domestic resources could be mobilised through fiscal reforms to finance green economy, as already touched on above.

Several additional options could be considered. For instance, national green funds with environmental tax revenues, as well as other resources such as well-designed import and export taxes could be created to finance various green economy initiatives and projects. Countries such as South Africa and Rwanda have already pioneered developing such funds.

In the case of South Africa, a green fund was established to support green initiatives to assist South Africa's transition to a low carbon, resource-efficient, and climate resilient development path. The ZAR800 million (US$68.2 million) fund is managed by the Development Bank of South Africa. The government of Rwanda has also developed a national climate change and environment fund to finance its Green Growth and Climate Resilience Strategy.

International cooperation also plays a key role in financing green economy. Countries should explore strategic ways to access the liquidity of regional banks and existing global financial mechanisms such as the UN's Reducing Emissions from Deforestation and Forest Degradation and the sustainable management of forests (REDD+), the Clean Development Mechanism (CDM), and the new Green Climate Fund. This requires countries' readiness by building national capacity – both human as well as institutional – with the support of regional and international communities. A Regional mechanisms such as AMCEN could play an important role. In particular AMCEN could provide a clear road map for financing the green economy. The African Green Economy Pratnership (AGEP) also provides an overall framework for green economy support in Africa, with programmes such as the Partnership for Action on Green Economy (PAGE)❷, assisting interested countries in their green economy transition.

This article is based on a UNEP synthesis report "Building Inclusive Green Economies in Africa: Experience and Lessons Learned 2010-2015" and subsequent discussion at a regional workshop "Inclusive green economies for poverty reduction and sustainable development in Africa," in Cairo, Egypt in March 2015.

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❶ UNEP defines a green economy as "one that improves human well-being and social equity while significantly reducing environmental risks and ecological scarcities." *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*, UNEP, 2011.

❷ The Partnership of Action for Green Economy (PAGE) is a joint initiative by UNEP, ILO, UNDP, UNIDO, and UNITAR to support countries' efforts for a green economy transition.

FISHERIES

Trade policy through a gender lens: Fish trade and women in The Gambia

Irene Musselli and Simonetta Zarrilli

Key lessons can be learned from specific country-level case studies. This article looks at the importance of gender considerations in fisheries trade policy improvements in The Gambia with an eye on more inclusive outcomes.

The relationship between trade and gender is highly contextual and country-specific. It is, however, at times possible to extrapolate some general patterns that are likely to be found across countries. This article examines the gender ramifications of an export-led strategy in fisheries in The Gambia. Commercial expansion of the fisheries sector could help to lift many Gambians from poverty and, in particular, women. Yet, without a built-in gender perspective, the promotion of fish exports in The Gambia could in some cases actually exacerbate inequality between men and women.

A vital economic sector

The fisheries sector is a critical entry point for poverty alleviation in The Gambia. It provides a source of revenue and foreign exchange earnings for the country, while also contributing significantly to food and livelihood security, notably for the poor. The sector is the third largest food provider – after agriculture and livestock – and plays a significant role from a nutritional standpoint as the main supplier of animal protein in the diets of most Gambians. Fish-related activities, including processing and marketing, represent the main source of income for coastal fishing communities. These activities also act as an economic safety net by supporting complementary activities in rural communities inland.

In The Gambia, the artisanal fisheries chain employs between 25,000 and 30,000 people, while about 2000 people work in the industrial subsector. The livelihoods of an estimated 200,000 people are indirectly dependent on fisheries and related activities. For women specifically, fish processing and marketing provide an important source of income and livelihood support; an estimated 80 percent of fish processors and 50 percent of small-scale fish traders are women.

Gender based division of labour

In the fishery sector in The Gambia, men and women tend to produce distinct products, operate on different scales, and serve different markets. This results in specific gender-based trade patterns throughout the value chain. Upstream activities including fish harvesting or the capture of fish are essentially dominated by men, though women are present in some subsectors such as oyster and cockle harvesting. Downstream fish processing activities are quite feminised. Women also play a prominent role in the artisanal sector in the country accounting for; an estimated 80 percent of processors and 50 percent of traders of these fresh and cured fish products. They also make up 70 percent of factory workers in the industrial subsector. In the downstream artisanal segment, however, trade patterns are highly gendered. Women mainly operate on small-scale, low-profit margins. Male traders, on the other hand, operate on a larger scale with more capital-intensive techniques and higher profit margins. While women serve domestic and inland urban markets, men mainly control more distant, sub-regional, and export markets.

Likewise, job segregation patterns exist in the industrial segment, where women are crowded in packaging and processing nodes. This division of labour reflects deeply entrenched social roles that restrict women's mobility in the country. It also reflects gender disparities in access to productive assets in the fish value chain that undermine women's competitiveness. The overall tendency seems to be that women receive "diminished" assets and segments of the chain that attract investment tend to be "defeminised."

Mainstreaming gender considerations

The acknowledgement of these gender dimensions is critical to assess the ramifications of an export-led strategy in fisheries in The Gambia. Since men already largely control the export trade, the selective upgrading of this segment risks magnifying the existing split between large-scale male traders and small-scale women traders. This is because the expansion of the export-oriented fish industry may incite some diversion of resources from the domestic female-intensive segment. Thus, the selective upgrading and segregation of the export-oriented segment of the chain could act to the detriment of small-scale women operators, who mainly operate in the domestic segment. Also, for those fish species that serve both export and domestic markets, there may be some diversion of supplies from the domestic to the export chain, which could have important food security implications. An export-led strategy in fisheries therefore potentially risks accentuating social cleavages between the relatively empowered and the relatively disempowered.

This, however, need not necessarily be the case. Export-oriented investment may lead to greater employment opportunities for women downstream, in both artisanal and industrial processing factories, if the appropriate measures are in place. This increase in employment opportunities would have positive effects in terms of poverty alleviation.

The bottom line is that putting in place coherent trade, infrastructure, and social policies will be instrumental to achieving inclusive development and reducing inequalities, including those based on gender.

Furthermore, investment in export-led facilities could be leveraged to also benefit the domestic-oriented chain, where women are predominant. For this to occur, policies need to be carefully structured to yield socially inclusive and gender-equalising results, particularly on the supply side. There is a need for policy responses that are not only gender-specific – in that they respond to practical gender needs of either sex – but also gender-redistributive – in so far as they create a more balanced relationship between men and women in access to productive resources.

Policy recommendations

A critical issue is the integration of gender considerations into the design and implementation of fisheries infrastructure projects. The objective is to ensure that facilities used by women are upgraded or that upgraded facilities, including those that serve the export-oriented segment of the chain, can be effectively accessed by women as well as men. Concrete measures may include quotas, informal complaints procedures, among others.

Access to resources, including credit and support services such as training in marketing and financial literacy, would greatly enhance women's ability to benefit from new export opportunities. Affirmative actions taken to redress power imbalances may include a target percentage of credit to be disbursed to women and dedicated lines of credit for women operators. Training is essentially needed in three concurrent areas: technical training in the handling and processing of fish and fish products; marketing; and financial literacy. It is also important to explore niche markets for high-value products that can generate increased for women, for example, around sustainable aquaculture and the Diaspora trade.

The bottom line is that putting in place coherent trade, infrastructure, and social policies will be instrumental to achieving inclusive development and reducing inequalities, including those based on gender. A gender perspective is key to bringing issues of sustainability and inclusion to the forefront of development, environment, and trade policy efforts.

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POST-2015 DEVELOPMENT AGENDA

How to monitor the trade elements of the 2030 Agenda?

Alice Tipping and Robert Wolfe

Can existing institutions be used to ensure proper follow-up and review of the trade commitments made in the UN's new 2030 Agenda for Sustainable Development?

Trade is reflected throughout the new global sustainable development agenda, both in "Transforming Our World: The 2030 Agenda for Sustainable Development," and in the outcome document from the Third International Financing for Development (FfD3) conference known as the "Addis Ababa Action Agenda." These outcome documents are intended to guide and balance social, economic, and environmental objectives over the next 15 years. Follow-up and review of the agenda as a whole is essential, although delicate because the Sustainable Development Goals (SDGs) are aspirational objectives, not legally binding obligations. In themselves, the SDGs will not directly change policy, but the review process might.[1]

Most of the action needed on sustainable development is national and even local. Follow-up and review mechanisms will allow national and local-level policymakers, as well as civil society, to review both effort and outcomes. And by learning from the experience of others, adjustments can be made. The purpose of review mechanisms is thus not "evaluation" but the sharing of experiences as a way to facilitate learning and policy improvement. The 2030 Agenda is also universal, as the goals and targets apply to all countries, whatever their level of development. Regional and global review as well as national review will help, as countries in different regions or at the same level of development may face similar challenges, and hence have lessons to share.

Trade is part of the 2030 Agenda in each of the three dimensions of sustainable development, but its diffuse contribution means that follow-up and review will be challenging.[2] Unlike other aspects of the SDGs and FfD3, international trade is covered by numerous bilateral, regional, and multilateral agreements, which have their own review mechanisms. Some trade-related targets in the SDGs are goal specific, while others feature trade as a cross-cutting "means of implementation" (MoI) relevant to the achievement of the framework as a whole. For example, SDG 14 on oceans conservation refers to the WTO fisheries subsidies negotiations, while the final SDG 17 identifies the principles upheld by the WTO and conclusion of the Doha Round negotiations as an overarching supportive effort. The FfD3 outcome includes some trade-related targets similar to those identified in the SDGs as well as several other unique trade issues – such as on regional economic integration – that are useful complements. The SDGs regrettably focus predominantly on expanding exports; while they recognise, if only implicitly, the importance of maintaining an open trade regime that would allow domestic firms access to low-cost inputs, they do not explicitly address the central role that services play in accessing global value chains (GVCs). The SDGs are also limited in devoting insufficient explicit attention to things like trade costs that are important for participation in GVCs, although some of these elements such as trade facilitation and trade finance are part of the FfD3 outcome.

A universal, rules-based, open, non-discriminatory, and equitable multilateral trading system, as well as meaningful trade liberalisation, in the words of the FfD3 outcome document, can serve as an engine of economic growth, not least by encouraging long-term private and public investment in productive capacities, reduce poverty, and promote sustainable development. With appropriate supporting policies, infrastructure, and an educated work force, according to the AAAA, trade can promote employment, decent work and women's empowerment, reduce inequality, and contribute to the realisation of the SDGs.

With this context in mind trade's contribution to sustainable development ought to be reviewed as part of the broader policy framework. In a longer paper originally published last June, which includes current thinking on possible trade indicators and where the necessary data is already being collected, the trade-related elements in the draft SDGs and FfD3 outcome were grouped into six clusters: subsidies and commodities trade; access to water, energy, medicines; economic diversification, GVCs, and trade facilitation; illegal extraction and trade in natural resources, trade in hazardous chemicals and waste; multilateral trading system, regional trade, and investment agreements; and policy coherence for sustainable development. The purpose of the rest of this article is to describe where trade-related review and follow-up mechanisms already exist that could help policymakers compare experiences.

Trade policy review at the WTO

Various peer review mechanisms, ranging from multilateral reviews to regional mechanisms that could review groups of UN members, to regional economic integration organisations, offer forums where policymakers could discuss progress against specific trade-related elements of the 2030 Agenda. The WTO provides an obvious starting point for this survey, given its centrality in the system of rules of the global trading system, its transparency and accountability mechanisms will be critical for review and follow-up of the 2030 Agenda.

One way that WTO members could enhance the work the secretariat does for them is by asking it to facilitate an integrated discussion of how those mechanisms could contribute to achieving the trade-related objectives of the SDGs and FfD. Moreover, while many existing WTO processes could contribute to review and follow-up, it might also make sense for the chair of the General Council to write to the chairs of all WTO bodies asking how they intend to internalise the SDGs in their work.

In themselves, the SDGs will not directly change policy, but the review process might.

For example, the Committee on Trade and Environment (CTE) could play a key role in the review of trade-related SDGs, given its broad mandate and the fact that it is not linked to any WTO agreement. In recent years, it has discussed the trade-related aspects of illegal logging, fossil fuel subsidies, energy efficiency, carbon footprinting and environmental labeling, to list just a few. It could also monitor negotiations on green goods and services, and it could commission an annual report on the environmental dimension of trade-related SDGs, perhaps based on its database of all environment-related WTO notifications.

The WTO Committee on Regional Trade Agreements (CTRA) could use its Transparency Mechanism to consider a horizontal review of sustainable development chapters in regional trade agreements (RTAs). It could also consider whether trade and investment treaties appropriately safeguard domestic policies for sustainable development. The Committee on Trade and Development (CTD)'s Monitoring Mechanism, which analyses the implementation of all special and differential treatment provisions with a view to facilitating integration of developing and least-developed members into the multilateral trading system, could be another important point of reference.

The most comprehensive platform for trade related peer review is the WTO Trade Policy Review Body (TPRB) since its analytic reports on individual countries and on the trading system can draw on information from other WTO committees, as well as the work of other international organisations and non-state actors, with regular opportunities for discussion by all members of the WTO. The main work of the TPRB is the discussion of the periodic Trade Policy Review (TPR) reports on every member. The four largest traders are reviewed

Next steps

An Inter-Agency and Expert Group on the Sustainable Development Goal Indicators (IEAG-SDGs) has been tasked with preparing a report on proposed indicators for the SDGs in time for a meeting of the UN Statistical Commission in March 2016. The IEAG-SDGs met for the second time at the end of October in Bangkok, Thailand, and established a roadmap for finalising its list of proposed indicators.

every two years, the next 16 every four years, and the rest every six years. This schedule could be aligned, if not perfectly, with the every-four-years schedule of national reviews of the SDGs. It ought to be possible to have the reviews for most members precede by no more than a couple of years the its national review, ensuring that WTO review of the trade-related aspects of the SDGs does not add to the reporting burden on governments, while allowing the national report to benefit from the results of peer review in the WTO.

The second major task of the TPRB is the annual monitoring report reviewing the trading system, members' policies, and the work of the WTO itself. Various sections of this flagship report, including "recent economic trends," "trade and trade-related policy developments," and "transparency of trade policies" could maintain an eye on SDG-related issues and pull-out the 2030 Agenda aspects of all country reporting made available through the TPR process.

While not subject to discussion, the WTO Annual Report, could be used to identify what the organisation has accomplished in areas relevant to the 2030 Agenda. Finally, given the diffuse nature of potential options for review within the WTO, members could place as a standing item on the agenda of the biennial ministerial conference consideration of a synthesis report on the contribution of trade to achieving the SDGs. Such a broad review is important for a global assessment of progress especially as the UN High-level Political Forum (HLPF) charged with leading that process may not have sufficient time to devote to trade in most years.

Other options for review of trade-related elements

The UN Conference on Trade and Development (UNCTAD) provides another possible multilateral avenue for 2030 Agenda review. In addition to discussion in its Trade and Development Commission, UNCTAD review mechanisms include Investment Policy Reviews, the Voluntary Competition Policy Review, and the Global Commodities Forum. The main advantage of UNCTAD's existing peer review processes is that these are voluntary, exemplifying national ownership of the process, and imposing a more manageable burden on developing countries' public resources. Given the breadth of UNCTAD's membership, it provides a wide range of countries with the opportunity to have their policies reviewed.

At the same time, a wider review role for UNCTAD could be supported by improvements to the organisation's institutional capacity, and by increasing developed countries' relatively lower level of engagement its work. The UNCTAD secretariat has already begun to consider how the organisation could play a role in review of governments' trade and sustainable development policies.

The World Bank could also serve as an important source of data and analysis on the trade-related elements of the 2030 Agenda using its immense data collection and analytical capacity. It could play an important potential part in reviewing investments made by international financial institutions (IFIs), for example in infrastructure, in the context of the framework's new commitments. It could also play a role in convening national and global experts to develop cross-cutting global reviews of the role of trade in relation to particular objectives. This work could build on the existing system of knowledge platforms within the Bank.

Regional review

The UN Regional Commissions, such as the UN Economic Commission for Europe (UNECE) and Economic Commission for Latin America and the Caribbean (ECLAC) are also currently thinking about their roles in supporting the implementation and review of the 2030 Agenda, and assessing their capacity to undertake this augmented role.

Many regional economic integration bodies such as the Asia-Pacific Economic Cooperation (APEC) group also already conduct peer reviews of members' trade and trade-related policies, as does the African Peer Review Mechanism (APRM). Like the UN regional commissions, these organisations could potentially provide a good environment for further discussion, among peers at a regional level, of the contribution of trade-related policies to sustainable development. A potential disadvantage of these organisations, however, is that not all of their secretariats have the capacity to support a follow-up and review process.

The regional development banks, in concert with the World Bank, could also play a role in reviewing the trade-related elements of the 2030 Agenda. Data collection, analysis, and peer review may be easier to mobilise at regional level, perhaps following the model of the European Bank for Reconstruction and Development in conducting policy reviews at country level.

In this context we consider the Organisation for Economic Co-operation and Development (OECD) and International Energy Agency (IEA) to be regional bodies since their membership is far from universal. But these two organisations will nonetheless be invaluable in reviewing the progress of their members to achieving the 2030 Agenda. Peer review is deeply embedded in the work of the OECD, drawing on the secretariat's considerable capacity for data gathering and analysis. For several of the trade-related elements of the SDGs mapped above, in particular the elements related to agriculture, fisheries and fossil fuel subsidies, OECD and IEA data is probably the most reliable available. Review of the coherence between OECD members' aid and trade policies will be especially important. The semi-annual, multi-stakeholder Global Aid for Trade Review provides a regular forum for reviewing Aid for Trade flows, while the coherence of aid and trade policies could be reviewed at a regional level in the OECD Development Assistance Committee, or in meetings of the OECD Policy Coherence for Development Focal Points. Members of the OECD may wish, moreover, to create a mechanism for periodic peer review of each member's national SDG reports.

Bringing it all together

We have mentioned a great many reports and institutions in this article. Our longer paper provides a sketch of the architecture that might support this process. In light of the inevitable complexity and distinct areas of expertise in each trade-related review forum, an additional option could be the creation of an inter-agency "trade and 2030 Agenda" group – perhaps building on the work that several trade organisations undertook as part of the UN Technical Support Team that helped the SDG negotiations – to prepare a synthesis report as needed for the national reviews and an annual synthesis for the regional and global levels. While many UN entities have a trade-related role, the body with the most significant review capacity is the WTO. One option might therefore be to ask the WTO to coordinate such a task force. The aim of such a thematic report on the trade-related elements prepared for the HLPF would be to keep attention on the trade opening "forest" as opposed to all the "trees." As with all the other reports discussed, it should be a public document, the foundation for an open and participatory process for review and follow-up of the sustainable development agenda.

This paper is adapted from a longer working draft Options for follow-up and review of the trade-related elements of the post-2015 agenda and financing for development published jointly by ICTSD and IISD in June 2015. The longer paper has an extensive list of the work of other scholars and organisations on which we draw. A revised paper based on the final SDG and FfD3 outcomes is forthcoming. [Editor's note, ICTSD is the publisher of Bridges Trade BioRes]

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1. For further details on the mandated 2030 Agenda review process see paragraph 90 in "Transforming our world: The 2030 Agenda for Sustainable Development." *Draft resolution referred to the United Nations summit for the adoption of the post-2015 development agenda by the General Assembly at its sixty-ninth session*. September 2015. (A/70/L.1) For details of the review process prescribed by FfD3 see "Addis Ababa Action Agenda of the Third International Conference on Financing for Development (Addis Ababa Action Agenda)." *Draft resolution submitted by the President of the General Assembly*. July 2015. (A/69/L.82)

2. For more details on the trade outcomes of the 2030 Agenda see "World leaders set to adopt post-2015 sustainable development agenda." *Bridges Trade BioRes*. ICTSD. 18 September 2015.

WTO

New texts in WTO "rules," fisheries talks released amid broader uncertainty

Submissions have been made in the context of multilateral talks governing trade rules in key areas, including around fisheries subsidies, which have been spotlighted in other processes such as the UN 2030 Sustainable Development Agenda.

Several new texts have been circulated in recent weeks in the WTO's Rules Negotiating Group, even as members of the global trade body tussle over the broader package of possible outcomes for its Tenth Ministerial Conference (MC10) due to be held in just over a month in Nairobi, Kenya. The new inputs build on a relative resurgence of energy within the rules talks ahead of the 31 July deadline for WTO members to negotiate a "post-Bali work programme," so called after the organisation's 2013 ministerial conference held on the Indonesian archipelago, which was meant to chart a path forward for completing the long-running Doha Round. The work programme deadline ultimately passed without an outcome, leaving WTO members with little time to determine what sort of outcome they aim to see for the Nairobi meet.

Within the context of the WTO Doha Round, the rules negotiations covers efforts at improving global trade disciplines relating to anti-dumping duties and procedures; subsidies and countervailing measures; provisions applying to regional trade agreements (RTAs); and the establishment of disciplines on fisheries subsidies.

Australia and Peru on 2 November and 20 October respectively released draft ministerial decisions on fisheries subsidies. Last month also saw the 28-nation EU put forward a technical paper following up on a proposal made in July for improvements in transparency across the four rules negotiating areas. A communication from Japan, meanwhile, was circulated on 22 October following up on a co-sponsored paper by 11 other WTO members published in June focused on boosting transparency and due process in anti-dumping investigation proceedings. In addition to the aforementioned documents, a communication from a group of six countries also in June had outlined elements for effective disciplines on fisheries subsidies to be included in the post-Bali work programme and for an outcome at MC10, followed by technical paper issued by New Zealand in July. (See BioRes, 8 July 2015)

Earlier this year the African, Caribbean, and Pacific (ACP) Group of countries tabled a series of elements for the work programme talks, specifying the need to reach agreement on a fisheries package in time for the December ministerial meet. The ACP Group also tabled a new proposal on Wednesday 4 November which builds on these elements, specifically for fisheries subsidies disciplines.

With WTO members now in the process of evaluating what sort of package may be delivered in time for December, sources say that the ongoing rules talks specifically are complicated by the lack of clarity with regard to the overall Nairobi outcomes and consequently how negotiations in the group should move forward in this context, despite the range of submissions now on the table.

Fisheries subsidies draft decisions

Peru's draft decision on fisheries subsidies was reportedly discussed on Thursday 29 October during an informal rules negotiating group meeting, alongside conceptual discussion on some other topics, including around anti-dumping rules and transparency across the four rules areas. Recalling a mandate agreed at a 2005 WTO ministerial meet held in Hong Kong, Peru's proposal would see ministers decide to establish, within a predefined period, prohibitions on subsidies to fishing activities affecting overfished stocks and those provided to any vessel engaged in illegal, unreported, and unregulated (IUU) fishing. Experts note that the proposal appears to underline the prohibitions' application with respect to vessel construction and fuel subsidies, in so far as they contribute to the two activities identified.

The proposal would also see WTO members provide information in key areas such as fuel subsidies where these may have an impact on fisheries; the status of fish stocks in the fishery for which the subsidy is provided; and total imports/exports per species. Lima's draft specifies consideration of appropriate and effective special and differential treatment (S&DT) of artisanal fisheries as a crucial issue for food security, local community development, and poverty reduction worldwide.

The Australian draft decision, meanwhile, recalls the UN's recently adopted 2030 Agenda for Sustainable Development and its call for action on fisheries subsidies that contribute to overcapacity and overfishing. With due regard also to the WTO's 2005 Hong Kong outcome, Canberra proposes enhanced transparency and improved monitoring in relation to notifications around subsidies relating to the fisheries sector, within the meaning of Articles 1.1 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement) and in so far as these are "specific" to a particular enterprise or industry as stipulated in Article 2.

The proposal would also commit members to notifying in the WTO information on fisheries subsidies on top of that required in Article 25 of the SCM Agreement, including the programme name, its legal authority, level of assistance provided and purpose, fisheries affected by the programme, whether or not it relates to exports, fish stocks status, and any relevant conservation or management measures in place. The WTO's Committee on Subsidies and Countervailing Measures would then review this additional information. The proposal notes that the sharing of information would not prejudge a subsidy's legal status under the General Agreement on Tariffs and Trade (GATT-1994) or the SCM Agreement.

Challenging, complex topic

Three key elements are common to several proposals tabled so far this year: the prohibition of subsidies provided to vessels engaged in IUU fishing; the prohibition of subsidies to fishing that targets overfished fished stocks; and improved transparency around fisheries subsidies. While the various submissions underscore a willingness to act on fisheries subsidies in the WTO context, the different approaches also reflect some of the divergences between members on the issue. The Australian proposal does not, for example, include language on prohibitions nor on S&DT. For some members, a Nairobi outcome on transparency measures alone will not be enough, and additional prohibitions or disciplines would be important.

At least two of the proposals tabled indicate that S&DT should not be applied to the limited prohibitions. S&DT has long-remained a tricky area to navigate in the fisheries subsidies talks. Fisheries provide a key source of income and nutrition in some of the world's poorest communities and the 2005 Hong Kong mandate calls for particular attention to S&DT. However, some members are hesitant to apply wide carve-outs from eventual fisheries subsidies disciplines for all developing countries, given that some large developing countries are among the world's biggest fishers. "Developed" and "developing" country status is self-allocated in the WTO context and shifting geo-economic contexts have also served to heighten tensions around the issue.

Meanwhile, according to other sources reflecting on recent rules meetings, certain members have expressed concern that the additional WTO notification requirements could be too burdensome for developing economies. Some members have also reportedly said that more details on the S&DT language put forward by Peru would be needed.

Beyond the question of prohibitions on subsidies to IUU fishing and activities targeting overfished stocks, as well as improved transparency, questions have also arisen with respect to how other harmful subsidies should be addressed at the WTO. Submissions by several members refer to limits on fuel and construction subsidies. Experts have argued that removing fuel subsidies that benefit fishing would be important in order to help address issues such as IUU or overfishing by aligning incentives in the right direction. However, some delegates have also warned that addressing fuel subsidies in the WTO might be difficult, in light of divisions on the topic during discussion of the rules chair's text tabled in 2007 and the fact that comparing fuel subsidy levels is technically challenging.

EU transparency options

The EU's follow-up paper on transparency broadly addresses the four rules negotiating areas and clarifies its various proposals outlined in July. On fisheries subsidies, the bloc suggests options for improving existing WTO subsidies notifications, including by drawing on ideas outlined by other members. Additional elements for notification might be categories of subsidies by nature, management measures associated with the subsidies, fleet information, specifications on whether the subsidy might contribute to increasing fishing fleet capacity, or information on mechanisms in place to avoid subsidising vessels engaged in IUU fishing.

In relation to concerns around notification burden, meanwhile, the EU suggests adopting a "threshold" approach where only major fishing nations would be required to respect additional subsidies notifications requirements. Major fishing nations might be defined by those responsible for most marine fish capture. Alternatively, the EU suggests using a monetary threshold, and requiring notifications for subsidies that exceed this.

Other aspects of the EU paper include a proposal for improving general subsidies notifications and data by having WTO members that report on countervailing duty actions taken first check whether the subsidy measures at issue have been notified and, if not, provide "supplementary" notification information. "Countervailing," in trade jargon, relates to the retaliatory duties a WTO member may apply if another member's subsidised imports are hurting domestic producers. The EU's proposal also suggests taking up discussions on improving transparency related to members' anti-dumping practices and on transparency related to RTAs based on two chair's 2011 texts that reflected progress in the talks up to that point.

Anti-dumping reform

Japan's communication elaborates on, but is also without prejudice to, an earlier co-sponsored proposal for improving transparency and due process in relation to anti-dumping disciplines. The paper includes series of reform proposals to the WTO's existing Anti-Dumping (AD) Agreement rules covering among other areas, semi-annual reports; anti-dumping policy review mechanisms, disclosure and public notices, accountability, publication of legal instruments, access to non-confidential information, and calculation methodologies. Anti-dumping investigations are used to determine if an exporter is selling products abroad at lower prices than at home or below the cost of production. Trade measures may be imposed if a link between dumping and material injury to the investigating authority's domestic producers is found, among other conditions.

Russia also circulated a paper on 16 October on transparency in anti-dumping and countervailing duty proceedings, focused on the non-confidential presentation of information by interested parties to investigating authorities, seeking to provide similar standards around the interpretation of certain articles within the AD and SCM Agreements.

Some members during meetings in October reportedly resisted the AD proposals, arguing that these would require changes to existing WTO legal texts, which would be hard to secure before December. Other members expressed concern that the AD proposals do not cover aspects of improving WTO rules in this area that had previously been discussed in this context and that they would not support a cherry-picking of issues. Meanwhile, certain members also remarked on the different nature of the proposals on AD and fisheries subsidies on the table, given that the former cover textual reform and the latter are proposed as ministerial declarations.

ICTSD reporting

CLIMATE CHANGE

UN report reviews national climate pledges ahead of key December meet

Individual national action plans will form the basis of the new multilateral climate regime. But how to ensure these do enough to address the global commons challenge at hand?

The collective ambition of the national climate action plans outlined by over 140 countries has been evaluated by the UN Framework Convention on Climate Change (UNFCCC) secretariat as governments gear up for a fortnight of pivotal negotiations on a new, universal emissions-cutting deal due to be held this December in Paris, France.

The much-anticipated 66-page synthesis report released on 30 October concludes that if the national greenhouse gas (GHG) emissions cuts outlined in the domestic pledges are fulfilled, global emissions growth will slow through 2030.

According to the document, this does not imply an absolute reduction by that time. Aggregate emissions would remain 11-22 percent higher in 2030 compared to 2010 levels, although the relative growth in emissions in the 2010-2030 period is expected to be 10-57 percent lower than over the period 1990-2010.

While the report was welcomed by several climate groups and stakeholders as evidence of mitigation progress, some lamented apparent continued shortcomings. Still other analysts suggested that the UNFCCC's press release was poorly framed and could be misread as giving a signal on what these action plans – known as intended nationally determined contributions (INDCs) – might achieve in the long term, given that many only indicate domestic efforts through to 2030.

These INDCs will form the building blocks of a post-2020 climate regime to be agreed upon by parties to the UNFCCC in Paris, France at the end of this year.

Certain paragraphs of the synthesis report do attempt to address this challenge. The report cautions that meeting an internationally agreed goal of keeping the planet below a two degree Celsius rise from pre-industrial levels will depend on long-term changes in key economic drivers induced both by the implementation of the current INDCs and parties' determination to scale these up over time.

The majority of the scientific community has now agreed that the two degree threshold will be important in order to stave off the worst consequences of climate change, which could include floods, droughts, and heat waves, among other impacts.

"Temperature levels by the end of the century strongly depend on assumptions on socioeconomic drivers, technology development, and action undertaken by parties beyond the time frames stated in their INDCs (e.g. beyond 2025 and 2030)," the document reads, which also includes a section on information in the INDCs that might indicate the possibility of enhanced action in the future.

However, the report also implies that the level of ambition in the current pledges will require substantially higher annual emissions reduction rates after 2025 and 2030 in order to keep within the two degree threshold, and these will likely come at a much higher cost.

Engagement in the process

The report analyses the aggregate effect of 119 national climate pledges – with the 28 member states of the EU represented as one – submitted to the UN on or before

Next steps

8-9 November Informal gathering of climate ministers from over 70 countries in Paris, France to focus on politically sensitive aspects of the new deal.

15-16 November G20 Leaders' meeting in Antalya, Turkey may provide guidance to the climate talks.

25-27 November Commonwealth Heads of Government meeting in Malta may provide another opportunity to address some difficult political aspects of the new climate deal.

30 November-11 December Delegates converge on Paris for annual UN Framework Convention on Climate Change (UNFCCC) talks and aim to deliver a new post-2020 regime.

an informal deadline of 1 October. This includes all industrialised countries and three-quarters of developing countries covering 86 percent of global emissions. (See BioRes, 16 October 2015)

Christiana Figueres, UNFCCC Executive Secretary, said that the sheer number of INDCs signalled broad participation in the multilateral process. The assessed INDCs cover 79.8 percent of emissions at 2010 levels, 86.6 percent of the world's population, and 94 percent of GDP in the same year, according to the report.

A handful of INDCs, including the first submissions from the Gulf States, trickled in past the informal October deadline and are not included in the synthesis report.

However, countries have yet to finalise the precise shape of the supportive regime that will underpin the national pledges, with key details on issues relating to compliance, transparency, and review cycles to be hammered out during the Paris meet from 30 November-11 December. (See BioRes, 28 October 2015)

Emissions reductions
The report does not go into the INDCs in detail, but instead captures the overall impact of countries' mitigation efforts by harmonising the types of emissions reductions, baselines, and sectors covered. While each plan contains at least a mitigation goal based on the mandate provided at last year's annual UNFCCC meet, the report also found that a total of 100 parties, or 84 percent of the INDCs, included an adaptation component.

Out of the 146 mitigation targets assessed, 127 offered quantified goals to reduce emissions. Nearly 60 countries, the majority being developing countries, adopted targets based on business as usual (BAU) emissions, while approximately 31 nations set absolute emissions reduction goals.

Countries' willingness to increase climate action ambition over time within the context of the Paris deal is a key area of concern for some players and observers alike given the emissions shortfall.

An additional eight countries, including India, pledged to reduce emissions intensity, and a few parties including China offered peak emissions years. Beijing also offered an emissions intensity reduction target alongside its trajectory indication.

These current plans would result in emissions rising to an average of 56.7 billion tonnes of carbon dioxide equivalent (CO_2e) by 2030, with a range of 53.1 to 58.6 billion tonnes, finds the report. This represents some four billion tonnes less than total emissions increases without the pledges.

In order to implement their INDCs, at least half of the parties outline renewable energy, energy efficiency improvements, and low-carbon transport as key priorities to obtain emissions reductions.

Over half of all of the INDCs also include a long-term perspective on transitioning towards economic growth based on "low-emission, high resilience development," a welcome sign for many observers looking for assurances of climate action beyond 2030.

Two-degree goal gap
While the report does not include global temperature increase scenarios, the UNFCCC press release refers to previous analysis completed by several other organisations. For example, the International Energy Administration (IEA) conducted a similar aggregate

analysis of the INDCs and found that current pledges would allow global temperatures to rise by 2.7 degrees Celsius by 2100.

"The INDCs have the capability of limiting the forecast temperature rise to around 2.7C by 2100, by no means enough, but a lot lower than the estimated four, five, or more degrees of warming projected by many prior to the INDCs," said Figueres, commenting on the apparent "emissions gap."

Increasing ambition, implementation

Countries' willingness to increase climate action ambition over time within the context of the Paris deal is a key area of concern for some players and observers alike given the emissions shortfall.

Many experts have also stressed the need to include a review mechanism in the multilateral climate regime in order to systematically and transparently raise the level of domestic emissions cuts.

Parties are considering, among other things, five-year review cycles and establishing a compliance mechanism.

"For the INDCs to succeed they must be adjusted before 2020 and reviewed in five year cycles from 2020 to ensure national actions quickly and rapidly progress, or we all face a grim and uncertain future," said Giza Gaspar-Martins, the Angolan diplomat who chairs the Least Developed Country (LDC) group, one of the coalitions in the climate talks.

In a related development on Monday 2 November, China and France issued a joint statement on climate change, which includes support for a review of the INDCs every five years in order to assess progress made towards reaching long-term goals.

The two nations also suggested convening a dialogue in 2017/18 to take stock of progress made in accelerating climate action before the end of the decade and eventually exploring further efforts.

Financial risks

Consensus is building, meanwhile, among a range of experts that delaying action in the present and ignoring the risks of climate change will result in large financial losses in the coming decades.

For example, a report released by the Bank of England in September warns that there could be significant shocks to the financial system if relevant players do not evaluate climate risks in their decision making processes.

In addition, officials from the International Monetary Fund (IMF) has reportedly indicated that the organisation plans on integrating climate risk into its macroeconomic models, starting next year.

The Fund has not yet confirmed whether this is indeed its plan, according to Climate Home, which first reported the news.

However, should this change be made, it means that the organisation's semi-annual "World Economic Outlook" could shed light on how actions to tackle climate change threaten economic growth in high-emitting or fossil fuel exporting countries.

A number of stakeholders have already recognised these risks and have started shifting investments away from high-emitting industries. (See BioRes, 29 September 2015)

Arabella Advisors, an investment research firm, found that some 436 institutions and 2040 individuals across 43 countries and representing US$2.6 trillion in assets have committed to stop supporting fossil fuels.

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Embattled UN climate publish complex draft

Following tense multilateral talks in Bonn, Germany on a universal emissions-cutting regime, which often saw familiar divisions between so-called "developed" and "developing" parties re-visited, negotiators agreed to forward a 51-page text for consideration at an annual climate meet due to start next month.

The document includes both a 35-page "agreement" followed by 16 pages of "decisions" designed to give effect to the former. Together, these would in theory cover all manner of details relevant to the functioning and operationalisation of the new climate regime, including its purpose, long-term goal, management of individual party climate efforts, and the general supportive architecture. A separate document on scaling up climate action before the end of the decade will also be sent for consideration at the next meet due to be held in Paris, France from 30 November-11 December. The deal should be capable of keeping planetary temperatures below a two degree Celsius rise from pre-industrial levels.

World leaders strengthen call for carbon pricing

Six heads of state, two subnational leaders, and a host of major private sector heads came together on Monday 19 October to urge all countries and companies to speed up the transition to a global low-carbon economy by putting a price on carbon.

Convened by World Bank Group President Jim Yong Kim and International Monetary Fund (IMF) Director Christine Lagarde, with the support of Angel Gurria, Secretary General of the Organisation for Economic Co-operation and Development (OECD). The so-called "Carbon Pricing Panel" is geared towards providing political momentum for carbon pricing initiatives and acts as a complement to a Carbon Pricing Leadership Coalition, formed at the UN Climate Summit in September 2014, where some 74 countries and more than 1000 companies expressed support for carbon pricing. "There has never been a global movement to put a price on carbon at this level and with this degree of unison," said World Bank Group President Jim Yong Kim in a press release.

EU ministers debate carbon market reforms

EU environment ministers meeting in Luxembourg on 26 October held their first policy debate on proposed reforms to the bloc's Emissions Trading System (ETS), with many officials welcoming some of the suggested changes while raising concerns in other areas.

During the day-long European Council meet, ministers discussed the European Commission's legislative proposal for strengthening the EU's carbon market from 2020 onward, which was unveiled in July. The planned reforms, the EU executive says, would be a key component of the bloc's strategy toward meeting its 2030 energy and climate goals.

In Luxembourg, environment ministers cited concerns with regard to three key aspects of the proposed carbon market reforms, including the proposal's level of ambition and the issue of climate finance; the rules for free allocation allowances and measures to address the risk of carbon leakage; and funding mechanisms for innovation.

US-Canada softwood lumber deal expires

The bilateral agreement between the US and Canada on softwood lumber expired on Tuesday 13 October, raising the prospect that a decades-long trade feud between the North American neighbours could soon be renewed. Prior to the entry into force of the Softwood Lumber Agreement (SLA), as the deal is known, the two sides had sparred for decades on whether Canadian lumber producers were benefitting from allegedly unfair government support.

Specifically, US softwood lumber producers had argued that stumpage fees – a tax on each harvested tree on state-owned land – were so low that they essentially amounted to a Canadian government subsidy. The US Department of Commerce then conducted a series of anti-dumping and countervailing duty investigations into these allegedly unfair trade practices, leading to the imposition of hefty duties. The disagreement led to the filing of trade disputes both under the WTO (DS 257) as well as under the North American Free Trade Agreement (NAFTA), which brings together the two countries with Mexico.

Development banks boost climate finance pledges

A host of the world's top development banks announced substantial increases in financing for developing countries to reduce climate-warming emissions and adapt to the consequences of climate change, as top finance and development officials met from 9-11 October in Lima, Peru.

The World Bank Group has pledged to boost its climate finance offering from 21 percent up to 28 percent by 2020, with the support of its 188 member countries. This translates into a projected increase of direct funding from US$10.3 billion to US$16 billion by the end of the decade, according to the Bank's press release.

The Bank also promised to continue current levels of leveraging co-financing for climate projects with governments and the private sector. This would provide an additional US$13 billion, bringing the total cumulative amount of climate-focused funding available from its multilateral coffers to US$29 billion a year by 2020.

In addition, the meet saw a doubling of finance commitments by other multilateral development banks and regional counterparts by 2020.

UN climate pledges discussed in Morocco

A suite of national climate action plans, submitted as part of UN talks on a post-2020 climate regime, were reviewed during an informal international forum held in Rabat, Morocco on 13 October. Participants concluded that the submissions by some 150 countries signals broad engagement in the multilateral process, but many also voiced support for including a long term emissions-cutting goal and review mechanism in the new deal, according to an EU press release.

The national plans, also known as Intended Nationally Determined Contributions (INDCs) in UN-speak, will form the building blocks of an agreement to be inked at a UN Framework Convention on Climate Change (UNFCCC) meet in Paris, France this December. While each plan includes at least a mitigation goal, the pledges differ considerably with regards to the type of emissions reductions, baselines, sectors covered, and implementation timelines.

"Countries have done serious work, approved at the highest political level, to design comprehensive climate strategies, many for the first time," said EU Commissioner for Climate Action and Energy Miguel Arias.

EU parliament rejects national bans for GMOs

Members of the European Parliament during a plenary session on Wednesday 28 October voted 577 to 75 against a proposed draft EU law that would allow the individual member states to restrict or prohibit the use of genetically modified organisms (GMOs) found in food or feed, even after these have been broadly approved for the bloc.

"[The] vote gave a clear signal to the European Commission. This proposal could [reverse] what has been achieved with the single market and the customs union," said Giovanni La Via, the parliamentarian charged with the dossier, in a press release. "I believe that this proposal could have negative consequences for agriculture in the EU, which is heavily dependent on protein supplies for GMO sources. It could also have indirect negative effects on imports. Finally, there are concerns over whether this proposal could even be implemented, because there are no border controls in the EU," La Via continued. The outcome was nevertheless largely expected by observers of the process after the parliament's environment committee squarely rejected the European Commission's proposal earlier last month on similar grounds.

Chile oceans conference boosts marine protection

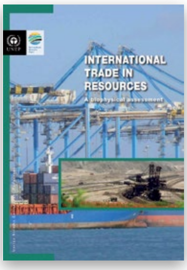
Some US$2.1 billion worth of commitments related to ocean conservation and sustainable use were unveiled during an international conference convened by the Chilean government from 5-6 October in the port city of Valparaíso.

The occasion saw both the US and Chile announce the creation of new marine reserves geared towards ocean conservation. The two new Chilean marine reserves will protect nearly one million square kilometres of ocean, prohibiting fishing within their parameters, with the exception of subsistence fishing practices. One of these marine protected areas (MPAs) will encircle the Island of Rapa Nui, also known as Easter Island, home to iconic monumental archaeological statues on land and a rich marine environment under water. The US, meanwhile, signalled plans to create a national marine sanctuary in Maryland and another in Lake Michigan.

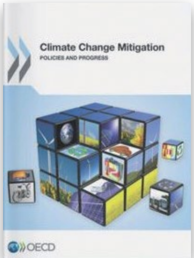
Other interventions by officials at the event – formally dubbed "The Second Our Ocean Conference – included an affirmation by Panama of the creation of two major MPAs.

Publications and resources

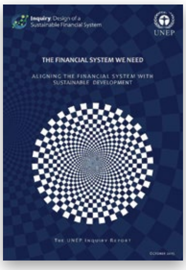
Suggested publications and resources do not necessarily reflect the views of ICTSD



International Trade in Resources: A Biophysical Assessment – UNEP – October 2015
This report from the UN Environment Programme (UNEP)'s International Resource Panel analyses the role of international trade in increasing resource efficiency, reducing environmental impact, and promoting equitable and inclusive growth. Through a review of updated data and existing literature, the assessment examines the rapid growth and pattern changes of resource trade and the upstream resource requirements of traded commodities including materials, land, energy, and water.
The report can be accessed at http://bit.ly/1GnFK3F



Climate Change Mitigation: Policies and Progress – OECD – October 2015
This report by the Organisation for Economic Co-operation and Development (OECD) reviews trends and progress on climate change mitigation policies in its member countries and 10 partner economies – Brazil, China, Colombia, Costa Rica, India, Indonesia, Latvia, Lithuania, the Russian Federation and South Africa – as well as in the EU. For each, the report covers mitigation targets and goals, carbon pricing instruments, and key domestic policy settings in certain areas.
The report can be accessed at http://bit.ly/1MRKHTL



The Financial System We need – UNEP – October 2015
The UN Environment Programme (UNEP) has published the findings of an inquiry geared towards understanding how to shape a financial system more fit for purpose for an inclusive, green economy. The report looks at practical examples of policy changes in banking, capital markets, insurance and institutional investment, and draws on detailed work undertaken in certain key countries. It also includes a "Framework for Action" to demonstrate how a systemic approach to reform can be taken at both national and international levels.
The report can be accessed at http://bit.ly/1LDmtO4

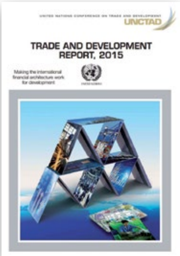
OECD Review of Fisheries: Policies and Summary Statistics 2015 – OECD – October 2015
The Organisation for Economic Co-operation and Development (OECD) Review of Fisheries provides information on policies and activities in the fishing and aquaculture sectors of OECD countries and participating economies for the period 2012-13. The report includes two-page snapshots with country summary statistics and key developments.
The report can be accessed at http://bit.ly/1GhQhxj

Implementing Effective Carbon Pricing – The Global Commission on Economy and Climate – October 2015
This working paper by the New Climate Economy steered by the Global Commission on Economy and Climate begins by looking at the strong momentum for carbon pricing around the world, including growing support from the private sector. It then examines the benefits of carbon pricing, and explains what is needed for successful implementation, drawing on lessons from different countries. Finally, it discusses how to advance international cooperation on carbon pricing, with particular attention to G20 members.
The report can be accessed at http://bit.ly/1PkvX0c

Climate Finance in 2013-14 and the USD 100 Billion Goal – OECD, CPI – October 2015

Released in advance of the pivotal UN climate summit due to take place at the beginning of September, this report from the Organisation for Economic Co-operation and Development (OECD) and Climate Policy Initiative (CPI) provides an estimate of the public and private climate finance mobilised by developed countries towards a 2009 pledge to increase climate funds to US$100 billion per year, finding that a total of US$62 billion was mobilised in 2014. The report builds on other recent international efforts to improve the tracking of climate finance, including, by the UNFCCC Standing Committee on Finance.

The report can be accessed at http://bit.ly/1QZLalz



Trade and Development Report 2015: Making the International Financial Architecture Work for Development – UNCTAD – October 2015

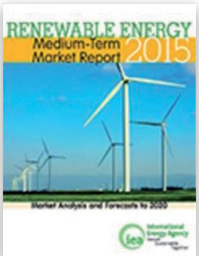
The report published by the UN Conference on Trade and Development (UNCTAD) reviews recent trends in the global economy and focuses on ways to reform the international financial architecture. The report calls for a bolder economic policy agenda that will serve the needs of both developed and developing countries by reviving the global economy, regaining financial stability, and promoting productive investment.

The report can be accessed at http://bit.ly/1Lv5Rbf

Carbon Leakage Myth Buster – Carbon Market Watch – October 2015

The ongoing legislative process to revise EU Emissions Trading System (ETS) policies for the post-2020 period provides an opportunity to revisit the rules under which industrial sectors may be deemed at risk of "carbon leakage," a theoretical phenomenon whereby industries may relocate in a globalised economy to jurisdictions with less stringent climate policies, taken emissions output with them. This policy brief by Carbon Market Watch sheds light on the so-called "myths" of carbon leakage and gives recommendations on how to change the EU's current rules.

The report can be accessed at http://bit.ly/1MRRlt4



Medium-Term Renewable Energy Market Report 2015 – IEA – October 2015

The Medium-Term Renewable Energy Market Report 2015 by the International Energy Agency (IEA) assesses these trends in the electricity, transport, and heat sectors in key countries, identifying drivers and challenges to deployment, and making projections through to 2020. It also assesses the potential impacts of enhanced policy actions under an accelerated case for renewable power, which would put the world more firmly on a path towards a sustainable and secure energy system.

The report can be accessed at http://bit.ly/1Km80ib

Investment Needs to Achieve the Sustainable Development Goals: Understanding the Billions and Trillions – SDSN – September 2015

This paper by the Sustainable Development Solutions Network (SDSN) proposes an analytical framework that translates the 17 SDGs into eleven investment areas. It also integrates investment needs for climate change adaptation and mitigation with the development priorities for each investment area. Estimates for private financing are also provided for each area. The paper then explores the implications of economy-wide studies on synergies and trade-offs in financing the SDGs and outlines priorities and directions for future research.

The report can be accessed at http://bit.ly/1M6MBvB

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