

Bilateral and Regional Trade Agreements in Post-2012 Scenarios

*Prepared for a workshop sponsored
by ADAM and UNEP
Geneva - 8-9 September 2008*

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Outline of Comments

1. Purposes and scope
2. Elements of post-2012 climate regime
3. Trade, investment and tech transfer
4. Regional-sectoral agreements: APP
5. Bilateral-sectoral agreements: aviation
6. Conclusions

1. Purposes of workshop

- Examine potential elements of future climate regime with implications for trading system
- Discuss approaches through which trade regime can address/affect climate change
- Explore synergistic interplays between climate and trade negotiating agendas

Scope

Trade includes investment and technology transfer

Bilateral and regional includes sectoral

2. Elements of future climate regime

- Emissions targets and timetables
- Emissions trading and/or offset projects
- **International technology transfer and financing**
- **Sectoral agreement(s)**

3. Technology transfer for climate change mitigation: how to overcome impediments to it

Paradigms

- I. North-South transfer and financing
- II. Global trade and investment
- III. International public-private RD&D cooperation
- IV. Firms' IPRs, 'internalization' and M&As

Implications for trade and climate regimes

Need efforts in all categories, including:

- Reduction of trade and investment barriers in regional and bilateral agreements as well as multilateral agreements (II above)
- Monitoring of IPRs, FDI and M&As (IV above): Who, how? Bilateral, regional, multilateral, plurilateral

4. Regional sectoral agreements: Asia Pacific Partnership

7 countries now, with Canada

US 'initiative' but Japanese leadership

Projects in seven sectors: aluminum, cement, ...

Trade and investment provisions: reduce barriers

- > Creation of 'club good' – not global public good
 - Limits technology diffusion?
 - Opportunities for side incentives?
- > Regulatory capture?

5. Bilateral sectoral agreements: aviation

EU-US conflict over aviation in EU ETS

Linked to EU-US 'Open Skies' (phase 2)?

Chicago Convention; ICAO – not WTO

Leadership: Norway, Japan, EU in FCCC –
shipping too?

> Regulatory capture?

6. Conclusions: potential for synergistic interplays?

Trade, investment and technology transfer:

yes, more trade and more climate-friendly technology

Asia Pacific Partnership:

maybe, but limited to the 'club'

Aviation:

probably not, because of regulatory capture

For more information ...

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