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LEAD STORIES

INDIAN TRADE MINISTER SAYS SSM NOT TO BLAME FOR STALLED TALKS

Indian trade minister Kamal Nath sent a letter last week to WTO Director-General Pascal Lamy, summarising his views of the stalled Doha Round of trade talks.

In the letter, Nath defended India's firm stance on the agricultural special safeguard mechanism, or SSM, a controversial trade tool that would allow countries to protect domestic producers from sudden import surges

or price declines by temporarily raising tariffs. The SSM has been credited with triggering the collapse of the most recent round of world trade talks, held in Geneva in July, when trade ministers from some three dozen nations met for nine days in an attempt to make progress toward a deal to conclude the seven-year-old Doha Round.

But Nath argued that attributing the breakdown of the July 'mini-ministerial' talks to the SSM "unfairly framed the status of the negotiations in a manner where it appeared that India was holding up the SSM whereas the reality is that it was the US which could not agree to an appropriate SSM."

Nath further maintained that the SSM could not rightfully be blamed for the more recent failure to strike a deal in the intensive negotiations among a smaller group of capital-based officials from seven economic powerhouses - Australia, Brazil, China, the EU, India, Japan and the US, collectively known as the 'G-7' (see BRIDGES Weekly, 24 September 2008, <http://ictsd.net/i/news/bridgesweekly/29789/>).

"While the G-7 meeting had been convened to discuss other equally important unresolved issues concurrently, there was absolutely no movement on any of them," Nath said.

In addition to the SSM, the G-7 talks, which took place in Geneva in mid-September, also covered cotton, tariff simplification, sensitive products, new tariff rate quota's (TRQs), blue box head room and the green box of non-trade distorting subsidies.

Yet a large part of the G-7 meeting revolved around the SSM. The most contentious question proved to be whether 'natural growth' in trade - calculated as a moving average over a set time period - should be accounted for in the SSM trigger. The major agricultural exporters fought for a provision to ensure that such growth would not trigger the SSM's protective tariffs, but India was firm in its opposition to such a measure.

The G-7 also considered a proposal put forward by the EU that left out a requirement for a price cross-check, a measure that would require price drops for the agricultural goods in question before the SSM remedies could be applied. The EU offer would also require that

the remedies be restricted to a calendar or market year, with a prohibition on SSM usage in the year that follows, a so-called 'holiday provision'. Australia, Brazil and the EU termed this proposal a 'take it or leave it' package.

But many of the G-7 hesitated to endorse this approach, and discussion on the matter was ultimately inconclusive. India and China both indicated reservations to the price cross-check and the holiday provision, with China also objecting to the size of the remedies suggested. Moreover, the Indian delegation stated that it would require authorisation to negotiate on this new SSM architecture and that it should be discussed first with the G-33 group of developing countries, whose members have consistently have expressed reservations against both of these SSM concepts. The US negotiator, while first noting that a price check - at least for the lower trigger - would be important, went on to state that that he was not in a position to accept the proposal.

Like the SSM discussions, agreement on other contentious subjects - including the blue box headroom and sensitive products - was just as elusive. Regarding tariff simplification, the EU took the firm stance that it would only agree to allow 80 percent of its tariffs to be converted to ad valorem equivalents the day a trade deal took effect - even if the matter proved a deal breaker for other Members. On the subject of new TRQ creation - a trade policy tool that combines quotas and imports to protect domestically produced commodity or product from competitive imports - discussions proved unproductive, although Brazil indicated it may look closer at it, contingent on the provision of substantial quotas in ethanol from the EU and US.

Cotton, while on the agenda, was not even touched upon, Nath pointed out. While critics of the invitation-only negotiations have drawn attention to the absence of the four cotton-producing African nations (Benin, Burkina Faso, Chad and Mali) that represent the primary players along with the US in negotiations on potential cuts in US cotton subsidies from the talks, Nath argued that "India is the second largest exporter of cotton and there are millions of cotton farmers in India...and no solution on cotton can be devised which does not conform fully to our expectations."

Nath signed off on a more positive note, stating that India "is committed to an early and successful conclusion of the Doha Round. We shall spare no efforts in trying to conclude modalities, as soon as possible, preferably within the year."

ICTSD reporting.

SMOOTH TRANSITION FOR WIPO

The World Intellectual Property Organisation (WIPO) General Assembly ended this week on a positive and consensual note after having witnessed much controversy and polarisation in recent years. The WIPO member states welcomed the appointment of a new Director-General, Australian Francis Gurry, and appeared keen to steer the organisation towards a fresh start.

In his concluding remarks, the Chairman of the WIPO General Assembly, Ambassador Uhomobhi, of Nigeria, emphasised the success of this year's meeting. "We have achieved a seamlessly smooth, harmonious transition for WIPO," he said. Uhomobhi also hailed the "positive spirit and goodwill" that characterised deliberations and affirmed that Member states "were united by the vision set out in Mr. Gurry's acceptance speech of a WIPO ready to tackle the big questions, and to assume its place as the pre-eminent global forum for intellectual property discourse."

Embarking on a six-year term as Director-General (see BRIDGES Weekly, 25 September 2008, <http://ictsd.net/i/news/bridgesweekly/29785/>), Mr. Gurry thanked the 184 Member states for their support and for the constructive spirit that had prevailed throughout the Assemblies. This, he said, provided "a good basis to tackle all the challenges of the future."

During the week-long meeting, which took place from 22 to the 30 September in Geneva and concluded a day ahead of schedule, members of WIPO reviewed the activities of the organisations in a number of key areas endorsing, in most cases, the recommendations adopted by WIPO bodies during the year.

The implementation of WIPO Development Agenda emerged as a key priority in the statements by most delegations, in particularly developing countries which highlighted the need to allocate the necessary resources for this endeavour and integrate the development dimension in all aspects of the organization's work, as this was the ultimate goal of WIPO Development Agenda.

In this connection, member states took stock of the work of the Committee on Development and Intellectual Property (CDIP), which was established by the General Assembly in 2007 when it adopted the 45 WIPO Development Agenda recommendations.

Ambassador Trevor Clarke of Barbados, Chair of the CDIP, underlined that modest progress had been made and that there was still a lot of work before completion

of the work plan for effective implementation of the 45 recommendations could be realised. The General Assembly approved the work programme for implementing five costed recommendations discussed this year from a list of 26 that require additional resources. In this regard, member states agreed to make resources available to the secretariat in line with WIPO's program and budgetary processes.

In addition, the General Assembly approved the initiation of consultations to organise a donor conference in 2009 to help mobilise additional resources, by encouraging the establishment of trust funds or other voluntary funds, specifically for least developed countries, while continuing to accord high priority to finance activities in Africa.

In the area of copyright, the General Assembly reviewed discussions in the Standing Committee on Copyright and Related Rights (SCCR), and in particular on broadcasting and cable casting organisations, audiovisual performances, and exceptions and limitations to copyright, the three issues to be addressed by the SCCR in the near future.

Not much movement is expected on the two first issues, on which discussions have stalled in recent years. But in the area of exceptions and limitations to copyright, the SCCR had mandated the WIPO secretariat to prepare a study on exceptions and limitations for the benefit of educational activities, including distance education and the cross-border aspects. An information meeting on studies relating to this question will take place in connection with the November session of the SCCR.

With regard to enforcement, the General Assembly examined the deliberations of the November 2007 session of the Advisory Committee on Enforcement (ACE), which addressed the issue of international, regional and national cooperation in the field of enforcement of intellectual property rights.

Developed countries invited WIPO to step up its efforts in fighting counterfeiting and piracy. Latin American countries recalled their proposal that future discussions at the ACE be based on recommendation number 45 of the WIPO Development Agenda which affirms the importance "to approach intellectual property enforcement in the context of broader societal interests and especially development-oriented concerns" with a reference to Article 7 of the Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS).

Further consultations will be held to determine future topics to be addressed at the ACE.

On genetic resources, traditional knowledge and folklore, the General Assembly noted the work under the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) on the analysis of gaps in the protection available for traditional cultural expressions/expressions of folklore and for traditional knowledge. With a view to accelerating the Committee's work, the October 2008 session of the IGC will consider establishing inter-sessional mechanisms. Member states also welcomed the further successful implementation of the WIPO Voluntary Fund for Indigenous and Local Communities, noting that it had significantly enhanced the depth and diversity of representation in the IGC process.

Developing countries, in particular the African Group, reaffirmed their long-standing demand for an international binding instrument to protect genetic resources, traditional knowledge and expressions of folklore, making reference to regional instruments recently concluded in Africa with this objective.

In the area of patents, member states welcomed the revival of discussions within the Standing Committee on Patents (SCP) and noted the progress it had made in establishing a work program at its June session. Delegates further endorsed a recommendation to convene in 2009 a conference on issues relating to the implications of patents on certain areas of public policy, such as health, the environment, climate change and food security.

Ultimately, the harmony prevailing in this year's Assemblies may not reflect a narrowing gap in substantive differences in many policy areas so much as it might indicate a greater maturity in the deliberations of the organisation and a growing realisation that the priorities and views of all countries need to be addressed, as is reflected in the new work programme of the SCP.

In any case, said a delegate of a developing country, "WIPO's new leadership understands that the organisation can no longer operate in isolation from the outside world and needs to engage more significantly with policy challenges it has shied away from in past years."

ICTSD reporting; "Optimism reigns as WIPO Assemblies close, Gurry takes office," IP WATCH, 30 September, 2008; "WIPO Assemblies conclude," WIPO PRESS RELEASE, 1 October, 2008.

SPECIAL SECTION: WTO PUBLIC FORUM

Note to subscribers: The WTO Public Forum, an annual civil society event at WTO headquarters in Geneva, was held on 24 and 25 September. While the forum's forty-odd sessions covered a wide range of issues, the stories in the section that follows highlight three of the topics that received significant attention. For more information, please see http://www.wto.org/english/forums_e/public_forum08_e/public_forum08_e.htm.

TRADE RULES AND THE GLOBAL FOOD CRISIS

For nearly seven years, trade officials at the WTO have been trying to hammer out an agreement on how to cut subsidies and open markets in the agriculture sector. When the Doha Round of trade talks was launched in 2001, many WTO Members worried that a continued decline in the prices agricultural goods would harm their domestic producers. But in the past year, an unprecedented increase in prices for internationally traded agricultural commodities has spurred a crisis among the millions of poor people worldwide who buy more food than they grow. Many delegates at the WTO hold the opinion that reformed trade policies will be an important component of any long-term solution to the crisis in global agricultural production.

The Crisis

Experts largely agree that droughts, historically low levels of food reserves, volatility in food output and rising fuel costs have all helped make food more costly to produce. Increased biofuels production and changing consumption patterns in large developing countries are also considered contributing factors, along with - more controversially - increased liquidity in financial markets. Even the weak dollar, the currency in which commodity prices are most frequently quoted, has received some blame.

The debate on the role of biofuels in food prices has been particularly vociferous. A World Bank study estimated that biofuels have caused 65 percent of the rise in prices. Similar studies by the US Department of Agriculture and the International Monetary Fund have pinned the number at 30 percent and 3 percent, respectively. The studies establish, to varying degrees, that farm goods are being diverted to energy use, away from the food supply. This normally healthy competition has been exacerbated by historically high oil prices, a necessary element in making biofuels cost effective.

Clearly, the rise in prices is a complex phenomenon that cannot be explained through a single cause. Although stop-gap measures to lower domestic prices abound, many of them, such as export taxes, only serve to worsen the situation globally.

Prices for key commodities such as rice, wheat, soybeans, maize and sugar have generally declined from the peaks they reached earlier this year, although the prices remain well above historical averages. But despite the end of record-breaking prices -- at least for now -- many experts agree that we have reached the end of "cheap" food, that the sustained decline in the prices of agricultural commodities over the past two decades has ended.

Shortcomings of the Uruguay Round

Some argue that ineffective trade policies have also contributed to the current crisis, and blame the shortcomings of the most recent world trade deal, the Uruguay Round Agreement of 1995, for having set the stage for the recent spike in food prices.

Subsidies and protectionist tariffs, among other measures, alter the prices that consumers pay and the amount that producers receive. Agricultural production in many countries therefore reflects government policy objectives rather than what farmers would produce under the most efficient market conditions. According to some analysts, the food crisis is in many ways a breakdown in the chain that informs farmers, public food stocks and consumers.

While the Uruguay Round has led to some real restrictions on subsidies and actual cuts in tariffs, the implementation of those commitments has not produced the dramatic improvements in agricultural trade that many had hoped for. Through the process of tariffication, or converting non-tariff-based trade restrictions to tariffs, the agreement helped end quotas, or unit-based restrictions on the imports of goods. However, it replaced those restrictions with tariff rate quotas, or tariffs that varied with import volume over a given period. This introduced an extra degree of complexity in agricultural trade that has helped mask continued high levels of protection.

Uruguay Round flexibilities such as the Special Agricultural Safeguard, or SSG, allowed import-sensitive developed countries to keep products of export interest to developing countries out of their markets. Perhaps most significantly, persistently high subsidy levels in rich countries meant that farmers in the developing world could not compete with lower priced imports. Thus, the developing country producers

had virtually no market-based incentives to farm key food staples.

Doha Round

The agenda of the ongoing Doha Round of trade talks at the WTO was meant to address the shortcomings of the Uruguay Round agreement, but thus far the negotiations have failed to produce a concrete result. Agriculture in particular, a key component of trade for many developing countries, has repeatedly caused the talks to stumble.

Several sets of competing interests within groups of developed and developing countries are at play. Efficient agricultural exporters, developed and developing, want the broadest cuts in tariffs and subsidies. Import sensitive developed countries have been clamouring for sensitive products, exceptions that would protect the interests of domestic farm lobbies in specific sectors such as dairy, poultry and some cereals. Meanwhile, import-sensitive developing countries have sought exceptions for special products, measures that would allow them to ease into the process of trade liberalisation by protecting goods that impact rural development, livelihoods and food security. Complex exchanges among these competing interests may ultimately result in the compromises necessary to reach a Doha agreement. Whether a deal sufficiently addresses the food security concerns is up to the WTO's Members.

The monetisation of food aid is another contentious subject in the WTO farm talks that could impact food prices. Often countries on the receiving end choose to convert the aid that they are given into cash by selling the food. Whether such monetisation should be allowed has been a controversial issue. Food aid, especially that received in kind, is surplus production from developed countries. But due to the rise in prices and shortage in stocks food aid has been at historically low levels. If food aid recipients monetise aid in kind they risk depressing domestic prices and providing longer term disincentives for local farmers.

Indeed, the importance of food security was evident in the most recent collapse of Doha Round talks, which was triggered by a deadlock over the Special Safeguard Mechanism, or SSM, a provision that would allow developing countries to temporarily raise tariffs to shield farmers from a surge in imports or decreases in prices (See BRIDGES Weekly, 7 August 2008, <http://ictsd.net/i/news/bridgesweekly/18034/>).

Elements of the Doha Round could have a lasting positive impact on aligning domestic agricultural production with international markets. However, much

like the Uruguay Round, the exceptions, flexibilities and diminishing ambition are threatening the potential benefits of the Round while allowing some trade-distorting practices in global agriculture to continue unchecked.

Subsidies in the Lamy Package

In a last-ditch effort to salvage the most recent high-level Doha negotiations, WTO Director-General Pascal Lamy presented trade ministers a set of compromises on a number of contentious issues. The so-called "Lamy Package" would have required the US to lower its maximum permitted overall trade-distorting support (OTDS) by 70 percent; the EU would have had to make an 80-percent cut. For the US, the proposed deal would have meant a reduction from US\$48.2 billion a year to US\$14.5 billion at the end of the Doha Round implementation period. Although the new ceiling would have represented nearly twice the level of projected (and current) outlays, the US stressed that its OTDS level had exceeded US\$15 billion in seven out of the last ten years. The EU would have had to cut bound OTDS from €110 billion to €22 billion.

While these reductions would not have resulted in 'effective cuts' to actual spending, they would have provided a significant guarantee against future increases in domestic farm payments.

Though they provide important limits, the disciplines on subsidies leave much to be desired. For example, caps on product-specific spending would limit it only to historical levels, leaving developing country farmers to compete with developed country producers who receive concentrated support on staples such as rice and maize. The lack of clarity on the treatment of biofuels will lead to great diversity in their treatment and support by WTO members. Moreover, efforts to decouple agricultural production from domestic support by providing direct payments to farmers, which is permissible under WTO rules, will allow them to continue to overproduce and will thus serve as a disincentive for developing country production in key crops.

Yet the high food prices create an opportunity for subsidy reform. Indeed, other areas of the Doha negotiations - such as in the talks to reduce fisheries subsidies - have noted that rising food prices create an added urgency to eliminate trade-distorting price signals. High prices can potentially provide incentives for subsidy cuts since support levels are often tied to market prices. If developed country farmers can generate sufficient income without government support it may be feasible in some countries for subsidies to be cut. However, analysts say that heavy subsidisers like

the US are unlikely to significantly change farm policy in the immediate term, despite the record high prices.

Global agricultural production depends heavily on the signals it receives through prices and their transmission across international, regional, and local markets. For a systematic downward revision of prices, producers, suppliers, and food stocks need to be able to accurately anticipate and accommodate changes in demand, usually demonstrated through what consumers are willing to pay for a given good.

Tariffs in the Lamy Package

Sustained high prices may be a double-edged sword. For the poorest subsistence farmers, who are often net food buyers, increased prices can translate into a net loss of income. Doha Round provisions on market access - especially if prices fall, as in the case of the special products and the SSM - do make important accommodations for the needs of the most vulnerable farmers. However, products of export interest to developing countries may not obtain the gains they had hoped for due to sensitive products, thereby diminishing prospects for growth in their agricultural capacity.

ICTSD research shows that although developed country tariffs would have decreased under the Lamy proposal, key products of export interest to developing countries would have continued to face significant import duties. For the US, the average applied trade-weighted import tariff would have fallen from 7.9 to 3.5 percent. Tariffs on products likely to be designated as sensitive would have dropped from 50.4 to 29.3 percent. These products include important developing country export commodities, such as processed dairy, beef, sugar, chocolate, tobacco goods and frozen orange juice.

The overall EU outcomes are largely similar, although the specific figures and products differ. While average trade-weighted agricultural tariffs would have decreased from 23.4 to 9.5 percent, sugar, cereals, meat and dairy would still have faced high import barriers, especially since they are likely to be designated as sensitive.

Looking beyond trade rules

Rich country farm subsidies have made many developing countries addicted to cheap food. In some cases, staple crops are cheaper to import than they are to grow locally -- a situation that creates a perverse set of incentives that work against domestic agricultural investment and production. Coupled with widespread poor investment in agricultural productivity in

developing countries, their capacity to respond to changes in food prices is greatly limited.

But the spike in food prices can also be seen as an opportunity for producers in developing countries. Some analysts have predicted that private sector investment for developing country farmers will increase thanks to higher prices. This is particularly significant since Official Development Assistance (ODA) in agriculture declined from US\$8 billion in 1984 to US\$3.4 billion in 2004. However, development organisations such as the World Bank and the FAO are now focusing on poverty alleviation through agriculture. When combined with the renewed efforts of other international organisations directly supporting agriculture, such as the FAO, CGIAR, IFAD, it is possible that domestic production capabilities can be strengthened, if not restored. With the right incentives, and without the confusing signals that subsidies and protectionist measures provide, farmers, public and private sector actors can work towards building an improved agricultural production system.

While speculators in agricultural commodities may have played an unclear role in driving up prices, they are likely to profit the most from volatility in prices. In trading over the past week, commodity markets have seen daily price declines in goods such as soybeans and wheat, among others. Although it is difficult to identify a relationship between the US credit crisis and commodity markets, a positive relationship has been identified by some experts between oil, which have also declined, and commodity prices.

A systemic solution to high food prices is unlikely to come through a single international body. The global agricultural system is likely to face future crises if the weaknesses demonstrated by the current emergency are not fully understood and addressed. The WTO offers developing countries a unique forum to voice their concerns about food security and a positive conclusion to the Doha Round is likely to make trade more predictable, and better able to respond to the world's agricultural needs.

ICTSD reporting.

For more information on this subject, please see:

<http://www.ifpri.org/PUBS/newsletters/IFPRIForum/if200807.asp>

<http://go.worldbank.org/ZJIAOSUFU0>.

TRADE AND CLIMATE CHANGE ON THE ROAD TO COPENHAGEN 2009

There is now wide recognition among policy-makers and the public at large that the international community must reach a global agreement on climate change that will help stabilise global greenhouse gas concentrations in the atmosphere at a level that would prevent further dangerous anthropogenic interference with the climate system.

There is also great recognition of the urgency to do so within a time-frame that will allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner - as outlined in the UN Framework Convention on Climate Change (UNFCCC). The present crisis of global food supplies and high food prices is a stark reminder of the disastrous consequences that could result from future disruptions in global agricultural production systems.

Economics at the heart of climate negotiations

A true wake-up call, the current global economic slowdown seems to have trapped governments into in a difficult choice between rescuing the economy and imposing further sacrifices to take the hard decisions needed to prevent further global warming. Although not entirely novel, the importance of economics in addressing climate change is more pronounced and visible today than it has been in the recent past. Since the Stern Review on the Economics of Climate Change of 2006 and the Intergovernmental Panel on Climate Change's (IPCC's) Fourth Assessment Report in 2007, economics has been at the heart of climate negotiations.

It is now clear that climate change mitigation and adaptation come at a cost. But exactly what the cost is, and how it will be distributed across countries and sectors under different policy scenarios remains uncertain. The international distribution of that cost is, and has always been, at the centre of the climate change negotiations. The UNFCCC has recognised that the industrialised world has a responsibility for mitigating past emissions, and that developing countries have contributed little to the current problem. The international community has also acknowledged the limited capacity of developing countries to adapt to the consequences of climate change - hence the cornerstone principle of "common but differentiated responsibilities and respective capabilities" underlying the convention.

But things have changed since the first international agreement on climate change was adopted in 1992. Some developing countries have become major players in the world economy - as well as significant sources of greenhouse gas (GHG) emissions. Indeed, China became the leading emitter of climate-changing gases last year.

The compromise agreement reached in December 2008 at the Bali climate talks in part reflects this reality. The Bali plan includes a delicately negotiated set of obligations for developed countries to cut their emissions in quantifiable manner, as well as requirements that they help developing countries reduce the growth of their emissions while pursuing their sustainable development objectives. The commitment made by developing countries to implement nationally appropriate mitigation actions is made contingent to the provision, by the industrialised countries, of technology, financing and capacity-building, in a measurable, reportable and verifiable manner.

Economic and trade-related concerns in the run-up to Copenhagen

As the international community embarks on the road to climate talks in Copenhagen in December 2009, when a new global agreement on climate change is expected to be forged, three categories of economic and trade-related concerns are likely to influence the process and outcomes of the negotiations: incentives for participation by developing countries; leakage and competitiveness in industrialised countries; and trade and development concerns of developing countries.

The first relates to incentives aimed at encouraging participation by developing countries, in particular through transfer of technologies and provision of financial resources to support action on mitigation and adaptation. Developing countries have stated clearly that financing and technology transfer will be essential if they are going to be able to mitigate their emissions and adapt to warming temperatures.

At the latest climate change talks held in Ghana in August this year, the G-77 group of developing countries and China called for the creation of an international financing mechanism under the Convention. Under the G-77 and China proposal, funding would come from a contribution ranging from 0.5 percent to 1 percent of the gross national product of Annex I Parties (industrialised countries), to finance inter alia technology transfer, including the cost of patents. Ghana put forward a proposal to create an international framework agreement for technology development and transfer, and to establish a

multilateral technology fund, to inter alia, cover the licenses to support the access to and transfer of low-carbon technologies and knowhow. Financing the access of proprietary technology has been the subject of controversial discussions. While it remains unclear whether, and to what extent, intellectual property might be barrier for developing countries to access needed technologies for mitigation and adaptation, the question remains the subject of divergent views. Clearly identifying barriers to the development, transfer and diffusion of technology is thus one of the key analytical questions to be addressed, before relevant approaches to financing for technology can be considered in an informed manner.

Leakage and competitiveness in industrialised countries is another vital trade-related question. Industry and policy-makers in industrialised countries worry that efforts to reduce GHG emissions would negatively affect their carbon-intensive manufacturing sectors, which may be unable to cope competitively with industries in developing countries that do not have comparable obligations imposed on them. Subsequently, concerns about competitiveness loss often also extend to relocation of industries from countries with obligations to those without. Industries generally concerned are: iron and steel; aluminium and copper; cement and glass; paper and pulp; and basic chemicals.

Unilateral trade measures, while not formally part of climate negotiations, could also disrupt or complicate the climate negotiations. Such provisions could include border measures - trade barriers that target economies that lack specific emissions reductions obligations - or requirements that countries purchase carbon offsetting allowances. This is already visible in discussions on sectoral approaches to mitigation, which developing countries are seeing as a backdoor way to address developed countries' competitiveness concerns. It is critical that these concerns be addressed promptly in the relevant fora, including through informal diplomacy, before they emerge as critically disruptive factors in the end-game towards Copenhagen.

The third set of issues relates to the trade and development concerns of developing countries in certain economic sectors that are likely to be negatively affected by either the physical impacts of climate change or the socio-economic consequences of response measures. Related to that is the adaptation needs and modalities of their financing.

The IPCC projects that climate change will result in the decline of rain-fed agricultural productivity by up to 50 percent in certain parts of the world, mainly in developing countries. Tourism, a key economic sector

in many small islands and developing states, is expected to suffer from climate impacts on the one hand, and from response measures such as a regulation of emissions from international marine and air transport, on the other hand. These are likely to result in decline of tourism-related employment and contribution to gross domestic product.

Finally, certain developing countries have found themselves caught in the middle of a fight over whether certain agricultural products should have their 'carbon footprint' emblazoned on their labels. Generally referred to as the 'food miles' debate, the labelling of certain products on the basis on the air shipment puts an economic cost on producers from poor countries - the very countries that have been recognised under the climate convention as having a minimal contribution to the problem and that have been virtually exempted from mandatory emissions cuts.

These are the concerns that developing countries have raised in the climate negotiations, as highlighted in their Technology Needs Assessments, and that may feature in their National Adaptation Programmes of Action (NAPA). Seeking appropriate responses to these anxieties in the trading system, and defining adjustment mechanisms that would help economies adapt to the physical and socio-economic impacts of climate change are likely to be key priorities for a positive engagement of developing countries on the way to Copenhagen.

The next 16 months will be crucial in building global consensus towards a new climate agreement. The economic architecture of such an agreement, which could have far-reaching impacts on markets the world over, is absolutely essential.

ICTSD reporting.

WHICH WAY FORWARD FOR WORLD TRADE?

With the failure of world trade talks in July, and no conclusion to the seven-year-old Doha Round in sight, some have begun to question whether the WTO is in fact a useful forum for negotiating greater trade opening. Why have the negotiations continued for so long without success? Could the existing system be tweaked, or should trade leaders look elsewhere - perhaps closer to home - for real progress toward more liberal trade?

Re-examining the Doha agenda

In the aftermath of the collapse of world trade talks in July, several Members - including the US - indicated that they were interested in moving away from the 'single undertaking' approach, under which 'nothing is agreed until everything is agreed', that has served as the governing principle of the Doha Round since its launch in 2001.

The alternative would be to move forward on issues that have already been agreed - some suggested duty-free and quota-free access for least developed countries as a possibility.

But others argue that this would be unfair because it would give preference to certain issues - and thus some countries' interests - above others, and that would make progress on the thorniest issues that much harder to achieve.

Others suggest that, instead of operating on the basis of consensus, the WTO should adopt a more targeted 'critical mass approach' to decision-making. Under such a principle, which was suggested as a potential way forward by the Warwick Commission, a group of world trade specialists tasked with analysing the future shape of the world trade regime, not all Members would be obliged to make commitments on the topic in question. Indeed, only those nations that had a vested interest in the sector would be a party to the agreement, but the trade benefits the deal generated could be extended to all other Members in accordance with the WTO's most favoured nation principle. Some argue that, given the difficulty of managing the interests of the WTO's 153 Members in a single multilateral round, the critical mass approach could prove quite useful.

But successfully moving forward on such a selective would still be a delicate process, one that would no doubt need to strike a careful balance between ambition and inclusiveness. Moreover, some argue that a plethora of such plurilateral agreements might ultimately sap the political momentum needed to reach an over-arching multilateral deal.

Yet others still point out that the agenda for the seven-year-old Doha Round does not address critical issues - including the global food crisis, rising costs of energy and climate change, to name a few - and that the slate of issues covered in the negotiations is in need of an update. Not only have negotiating positions changed, but new crises have come to the fore.

But senior trade officials from Brazil, the EU, India and the US all indicated in a panel session at the WTO Public Forum last week that they strongly believed that

Members must resolve the issues now on the table before they think about amending the negotiating agenda. The chair of the WTO farm talks, Ambassador Crawford Falconer of New Zealand, concurred, stressing that Members had to finish what is now on their plates before adding to the agenda.

Lamy agreed. "I personally do not believe that it is the time to launch a parallel negotiation on how to negotiate - that's for later," the Director-General said in his opening address at the public forum. "The Doha Round must simply make do."

PTAs: a building block to freer trade worldwide?

But just as the Doha talks have been stumbling over the past few years, the number of bilateral and regional trade agreements worldwide has mushroomed. Now numbering more than 300, such preferential trade agreements, or PTAs - so named because they lower trade barriers between the parties involved, but not for anyone else - seem to be sprouting up all over.

What does this trend mean for the future of global economic governance? Is the multilateral trading system stumbling its way toward obsolescence?

Proponents of PTAs argue that, far from detracting from the multilateral system, regional deals offer an easier-to-negotiate and more politically palatable complement to it. Indeed, after four years of negotiations, India will soon sign a free trade agreement with the 10-country Association of South East Asian Nations (ASEAN) - a deal which will open a market of comprising a population of over 1.7 billion and a gross domestic product of almost US\$2.4 trillion.

Regionalism is a building block to free trade, advocates argue, insofar as PTAs help consolidate the political support of manufacturers, farmers and other exporters, making those key domestic lobbies more likely to fight for lower trade barriers at all levels.

"Multilateralists do not seem to have much to worry about," Antoni Esteve of the Inter-American Development Bank, Caroline Freund of the World Bank and Emanuel Ornelas of the London School of Economics argued in a recent study. The experts looked at how regionalism affected unilateral trade liberalisation in ten Latin American countries over the course of the 1990s, and found that regional deals in fact caused deeper tariff cuts at the multilateral level.

"Complementarity effects" between the regionalist and multilateralist approaches to trade opening can be at least partially explained by a shift in domestic politics that comes with greater liberalisation. All trade deals,

including discriminatory PTAs, ultimately increase exports and weaken those industries that cannot compete with outside markets. Thus, a shrinking import-competing sector shrinks domestic constituencies that would fight for protectionist measures and builds the economic clout of players who would have a vested interest in even deeper trade liberalisation.

Multilateralism: still the best approach?

Yet critics of the piece-meal approach, like the prominent trade economist Jagdish Bhagwati, argue that because PTAs grant trade preferences to the countries involved, they violate the principle of non-discriminatory trade liberalisation, known as the Most-Favoured Nation (MFN) principle, that has underpinned the world trading system since the end of World War II. Thus, instead of operating under an over-arching multilateral world trading system, countries must now navigate a convoluted system of overlapping (and sometimes contradictory) PTAs - what Bhagwati calls a 'spaghetti bowl' of different restrictions and regulations.

The shift away from multilateralism is not just creating unnecessary inefficiencies in the world trading system, it is also making it that much harder for the international community to work toward consensus on a multilateral agreement to liberalise world trade. Indeed, sceptics of regionalism argue that signatories to PTAs tend to shy away from agreeing to global tariff cuts, since freer trade worldwide would shrink the preferences they have gained through their discriminatory bilateral and regional deals. "Acting like termites," Bhagwati writes, "PTAs are eating away at the multilateral trading system relentlessly and progressively."

The Warwick Commission came to a similar conclusion. The recent proliferation of PTAs "has unnecessarily raised trade costs and carries worrying implications for the world trade regime in terms of stability, fairness, opportunity and coherence," the experts concluded. The Commission recommended that major industrialised countries "refrain from establishing PTAs among themselves" as an expression of their commitment to the multilateral trading system.

Large firms in rich nations can usually learn to manage the complex trade world, but trade players with fewer resources face serious challenges to engaging in the complex system. Moreover, rich countries often use PTAs to strong-arm developing nations into making concessions in other areas, such as openness to capital inflows or environmental and labour standards. In one-on-one negotiations, Bhagwati argues, weaker nations are coerced into making offers that might ultimately damage their economies.

But even beyond the equity questions, sceptics of regionalism hold that regional and bilateral deals can never take the place of a global trade agreement since PTAs do not produce reductions in highly trade-distorting subsidies. "Where is the FTA that has delivered subsidy reductions?" Lamy asked in his opening address at the forum. "Isn't the reduction of subsidies that distort trade vital to truly levelling the playing field in international trade relations?"

"I do not quite frankly see many alternatives to the WTO - as imperfect as the WTO system may be today," Lamy said.

ICTSD reporting.

IN BRIEF

ASEAN, INDIA TO SIGN TRADE DEAL IN DECEMBER, MINISTER SAYS

India is set to sign a free trade agreement, or FTA, with the Association of South East Asian Nations (ASEAN) in mid December, an Indian Minister confirmed on 29 September.

"We will formally be signing the FTA with ASEAN around December 18," the Minister of State for Commerce, Jairam Ramesh, said at a seminar on the India-ASEAN free trade deal, reported the Economic Times. It is expected that the agreement will be signed between India and ASEAN's 10 member nations at the India-ASEAN Summit in Bangkok.

Ramesh said India had shown "remarkable flexibility" in negotiating the trade deal, reported Reuters, despite having a trade deficit with the ASEAN bloc. India's exports to ASEAN were US\$16 billion in 2007-2008, while its imports reached US\$24 billion.

The trade deal, which was concluded last month after four years of negotiations, will come into force 1 January 2009, opening a market that comprises combined population of over 1.7 billion and a gross domestic product of almost US\$2.4 trillion. Under the agreement import tariffs will be reduced or eliminated on 71 percent of traded goods by the end of 2012, and on another 9 percent three years later.

Negotiations stumbled last year over a list of 1,400 'sensitive items' India wanted to exclude from the trade deal. However, the list has been reduced to 489 items and the import tariffs on those - now in the range of

eight to 10 percent - are scheduled to be reduced to five percent by 2015.

While the trade deal does not cover trade in services and investment, talks on these are expected to begin soon.

Trade between India and the ASEAN nations - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam - reached US\$38.4 billion in the 2007-2008 fiscal year.

ICTSD reporting; "India-ASEAN to sign trade pact on Dec 18: Ramesh," THE ECONOMIC TIMES, 29 September, 2008; "India to sign ASEAN trade deal mid-Dec - minister," REUTERS, 29 September, 2008; "India, ASEAN conclude free trade agreement," XINHUA, 29 August, 2008.

BRAZIL, US TO COLLABORATE ON BIOFUELS

A bill designed to improve Western Hemisphere cooperation on energy was approved by the US Senate Foreign Relations Committee on 23 September. Notably, the bill aims to promote collaboration on biofuels between the world's two top ethanol producers - Brazil and the US.

President of the Brazilian Sugarcane Industry Association (UNICA), Marcus Jank, said in an interview with Reuters that the bill would allow the two countries to move beyond past trade disputes and that the bill would help the US and Brazil to work "as partners in the creation of a global market for biofuels." The Brazilian sugarcane industry also disclosed that US\$ 58 million has been earmarked for the bill.

Sponsored by Senator Richard Lugar of Indiana, Senate Bill 1007 expands on an existing Memorandum of Understanding inked in March 2007 by President George W. Bush and his Brazilian counterpart, Luiz Inacio Lula da Silva. A change in the title of the new legislation - from "United States-Brazil Latin America Energy Cooperation Pact" to "The Western Hemisphere Energy Compact" - reveals the growing US interest in developing regional cooperation on energy issues.

Although Brazil exports approximately 50 percent of its ethanol to the US, Brasilia has been at odds with Washington over certain agricultural subsidies and tariffs, particularly in the areas of cotton and ethanol. After the breakdown of world trade talks at the WTO in July, a Brazilian trade official had indicated that Brasilia

was likely to initiate dispute proceedings at the WTO with the US over its ethanol import tariffs.

Brazil and the US together account for 75 percent of world ethanol production and over 50 percent of biodiesel output. According to UNICA, US ethanol production has risen to almost 11 billion gallons annually and Brazil, whose output reportedly may triple by 2020, produced approximately 5.8 billion gallons in 2007.

ICTSD reporting; "Interview - Brazil, U.S. to cooperate on biofuels - official," REUTERS, 24 September, 2008; "New bill to expand promotion of biofuels is a welcome boost for U.S.-Brazil relations according to Brazilian Sugarcane Industry," PRN NEWSWIRE, 23 September, 2008.

WTO IN BRIEF

EU WARNS AGAINST TRADE RESTRICTIONS ON RAW MATERIALS

The European Union's trade representative warned on 29 September that it may take action against countries that impose trade restrictions on raw materials.

"The goal of the EU's trade policy is, and will remain, an open global market completely free of all distortions on trade in energy and raw materials," Peter Mandelson, the European Trade Commissioner, said in a speech to industry leaders in Brussels.

Europe, which imports 70 to 80 percent of its primary resources, wants to secure access to these raw materials, much of which European industries transform into finished consumer products. But growing demand for primary materials from emerging economies has put pressure on the supply of these commodities.

Export duties act like indirect subsidies, Mandelson said, making it much harder for industries in other nations to compete with domestic manufacturers. "Imposition of an export tax can price a European company out of the market overnight," Mandelson said. Globally, export restrictions also pose a problem as they can skew international price signals.

Mandelson said that the recent rise in global commodities prices has been matched "by a proliferation of export restrictions for commodities," including "at least" 450 export restrictions on raw materials including metals, wood, leather, ceramics, chemicals and textiles.

In particular, Mandelson drew attention to export restrictions of Argentina, China, India and Russia: Argentina has taxes of up to 40 percent on the export of raw hides and skin; China has an export duties of 120 percent on yellow phosphorous and on coke of up to 40 percent; India taxes iron ore exports at 50 rupees per tonne; and Russia imposes a 50 percent export duty on scrap aluminium.

Many developing countries use export taxes to raise revenue and encourage the processing of raw materials at home. They have resisted efforts to constrain the use of such measures in negotiations at the WTO.

The US is currently challenging Chinese tax restrictions on exports of raw materials used in the steel industry through the WTO's dispute settlement mechanism (see BRIDGES Weekly, 25 September 2008, <http://ictsd.net/i/news/bridgesweekly/29763/>).

Mandelson said that he could not "rule out that the EU would use the WTO in the same way to enforce Chinese commitments" to its WTO accession obligations and that any instance of export duties that hurt European markets would also "attract the scrutiny of our trade defence system."

ICTSD reporting; "Peter Mandelson prepares to fight Chinese export taxes alongside US," THE TIMES, 29 September, 2008; "EU to act against raw material exports curbs," REUTERS, 29 September, 2008.

MOVING ON

Luzius Wasescha, the Swiss Ambassador to the WTO, has been nominated to be the new Chair of the WTO's negotiating group on market access for non-agricultural products (NAMA). Wasescha will replace Don Stephenson, the former Canadian Ambassador to the WTO, who returned to Ottawa at the end of August and will now serve as a senior negotiator for Canada in the Doha Round talks.

EVENTS & RESOURCES

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar at: <http://www.ictsd.org/cal/index.htm>. If you would like to submit an event, please email events@ictsd.ch.

Upcoming Events: 2-8 October

2 October, Paris, France. OECD HIGH-LEVEL PARLIAMENTARY SEMINAR ON CLIMATE CHANGE. With

over 20 years experience analysing climate change from an economic perspective, the Organisation for Economic Cooperation and Development (OECD) is uniquely placed to help countries define strategies to produce results at lowest cost. The OECD will facilitate discussions and build a common understanding on issues such as cost sharing, carbon leakage, financial management of catastrophic risk and the potential impacts of climate policies on sectoral competitiveness. Additionally, the OECD will help countries design and implement national policies to stimulate innovation and diffusion of clean technologies. These issues, discussed at the recent OECD Ministerial Council Meeting and OECD Forum, as well as at OECD meeting of environment ministers in April 2008, and at the high-meeting of the OECD Development Assistance Committee in May 2008 will be revisited. For further information, please refer to http://www.oecd.org/document/22/0,3343,en_2649_34495_40_994582_1_1_1_1,00.html.

2-3 October, Chisinau, Moldova. INTERNATIONAL CONFERENCE TRANSBOUNDARY DNIESTER RIVER BASIN MANAGEMENT AND THE EU WATER FRAMEWORK DIRECTIVE. This Conference is supported by the MARTA Programme from the Dutch Ministry of Foreign Affairs. For more information contact: Ilya Trombitsky, Eco-TIRAS, Moldova; tel: +373-22 225615; e-mail: ecotiras@mtc.md; Internet: <http://www.eco-tiras.org/>.

5-9 October, Bali, Indonesia. INTERNATIONAL SCIENTIFIC CONFERENCE ON TROPICAL RAINFORESTS AND AGROFORESTS UNDER GLOBAL CHANGE. This meeting aims to advance our understanding of human-induced global change processes, such as agricultural intensification and climate change, which threaten rainforests, by using an integrated scientific approach linking ecological, economic and social approaches at different scales. For more information contact: e-mail: info@globalchange-2008.org; Internet: <http://www.globalchange-2008.org>.

5-14 October, Barcelona, Spain. IUCN WORLD CONSERVATION CONGRESS. This forum is a grand public gathering hosted by the world's conservation community, bringing together people from all over the world to discuss, share and learn. Addressing the world's most pressing sustainable development challenges, the forum offers four days of debates, workshops, dialogues, art and film, roundtable discussions, training courses, music and exhibitions on the following three streams: a new climate for change; healthy environments - healthy people; and safeguarding the diversity of life. For further information, please refer to http://www.iucn.org/news_events/events/congress/index.cfm.

6-7 October, Gainesville, Florida, US. WORKING FORESTS IN THE TROPICS: PARTNERING RESEARCH WITH PRACTICE FOR CONSERVATION AND DEVELOPMENT. This conference will explore how scientists from universities and research organisations have worked in partnership with government agencies, policy-makers, the private sector, social movements, and natural resource managers to advance conservation and development through applied research and capacity-building. For more information contact: Jhanna Gilber, University of Florida; tel: +1-352-392-5930;

fax: +1-352-392-9734; e-mail: jhanna@ufl.edu; Internet: <http://conference.ifas.ufl.edu/tropics/>.

6- 7 October. Geneva, Switzerland. EIGHTH AND FINAL MEETING OF THE UNCTAD-FAO-IFOAM INTERNATIONAL TASK FORCE ON HARMONISATION AND EQUIVALENCE IN ORGANIC CULTURE (ITF). The project is a joint initiative of the Food and Agriculture Organisation (FAO), the International Federation of Organic Agriculture Movements (IFOAM) and the UN Conference on Trade and Development. The ITF has worked since 2003 to remove technical barriers to trade in organic agricultural products that result from the lack of harmonisation and interoperability of organic regulations, private standards, and certification requirements. The six-year working period of the ITF (2003-2008) has led to an increased understanding of issues, dialogue between private and public sectors and among governments, improved cooperation including catalysing regional harmonisation processes and increased influence on new regulations and revision of existing ones. For more information contact email: sophia.twarog@unctad.org; Internet: <http://www.unctad.org/Templates/meeting.asp?intItemID=2068&lang=1&m=16161>.

6-8 October, Amsterdam, The Netherlands. NEXT GENERATION BIOFUELS MARKETS - DRIVING THE DEVELOPMENT OF NEXT GENERATION BIOFUELS. As competition between food and fuel threatens to become a pressing constraint on the current biofuel industry, the biofuels world is starting the transition to next generation biofuels. Green Power's 4th next generation biofuels event will bring together key players who are pioneering the development of next generation biofuels to address the latest developments in creating cost competitive, industrial scale production of next generation biofuels technologies. For further information, please refer to http://www.greenpowerconferences.com/biofuelsmarkets/next_gen_08.html.

6-8 October, Macau, China. SECOND INTERNATIONAL SYMPOSIUM ON 'FOOD AND WATER SUSTAINABILITY IN ASIA 2008'. Expanding the focus area to the whole of Asia from previous year's "Food and Water Sustainability in China," this symposium is intended to provide opportunities to develop academic networks among researchers engaged in issues relevant to food and water sustainability in the Asian region. For more information contact: Ken Fukushi; fax: +81 3 5841 1549; e-mail: Fw2008@ir3s.u-tokyo.ac.jp; Internet: <http://www.prime-intl.co.jp/FW2008/>.

7 October, Montreal, Canada. ELECTRICITY AND CLIMATE CHANGE: CARBON MARKETS AND ADAPTATION MEASURES. Climate change is a reality. How can we slow its pace and what we can do to adapt to its effects? Symposium participants will have an opportunity to discuss these questions and hear concrete answers based on the experience of experts in the field. For further information, please refer to http://www.qvc.qc.ca/centrejacquescartier/default_en.htm.

7-9 October, Paris, France. EURO BIO 2008 CONFERENCE: MAKE CHANGE HAPPEN. EuroBio 2008 is an opportunity for Europe's life science community to attempt to bridge the

gap between the pro-innovation rhetoric and the reality of the struggle to create and maintain life science businesses. Organised by the European Union presidency with participation of the UN Secretary-General the goal of this event is to send the attendees' home charged with ideas and opportunities and to generate a snapshot of the collective mind of all those present at EuroBio regarding burning issues that will be of use to policy makers at national and European levels. To achieve this, EuroBio 2008 is based on two highly innovative and interactive formats: the 'House of Commons' debates and the 'BioDialogues', which will take place respectively on 7 and 8 October. During the Grand Reporting Plenary on October 9, Europe's decision makers will officially ask Conference what needs to change, for change to take place. In the weeks that follow EuroBio, representatives of all those present will be consulted through a Green Paper which will lead to the presentation of a White Paper to the European Institutions. A follow-up meeting will be held with the European Institutions in the spring of 2009 to monitor progress. For further information, please refer to <http://www.eurobio2008.com/conference.php>.

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/meets_public/meets_e.pdf. Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

2 OCTOBER: NEGOTIATING GROUP ON MARKET ACCESS

3 OCTOBER: WORKING PARTY ON STATE TRADING ENTERPRISES

6 OCTOBER: WORKSHOP - SANITARY AND PHYTOSANITARY MEASURES

7 OCTOBER: COMMITTEE ON TRADE AND DEVELOPMENT

8 + 10 OCTOBER: TRADE POLICY REVIEW BODY - KOREA

8-9 OCTOBER: COMMITTEE ON SANITARY AND PHYTOSANITARY MEASURES

Other Upcoming Events

13-16 October, Accra, Ghana. INTERNATIONAL CONFERENCE ON TRADITIONAL FOREST-RELATED KNOWLEDGE AND SUSTAINABLE FOREST MANAGEMENT IN AFRICA. This conference will highlight the importance of traditional forest-related knowledge towards achieving the Millennium Development Goals and sustainable forest management. It is organised by the Forestry

Commission, the Council for Scientific and Industrial Research and the University of Ghana in association with the International Union of Forest Research Organisations. For more information contact: Alfred Oteng-Yeboah; e-mail: otengyeboah@yahoo.co.uk; Internet: <http://www.iufro.org/download/file/2595/95/ghana08-tftfk-1st-announcemt-call-upd.doc>.

13-17 October, Geneva, Switzerland. WIPO IGC-13. The thirteenth session of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore of the World Intellectual Property Organisation (WIPO) is taking place in October 2008. For more information contact: tel: +41-22-338-8161; fax: +41-22-338-8120; e-mail: gtrkf@wipo.int; Internet: <http://www.wipo.int/meetings/en/>

14 - 17 October. Rome, Italy. FAO COMMITTEE ON WORLD FOOD SECURITY. The UN Food and Agriculture Organisation (FAO) will host the 34th session of the Committee on World Food Security from 14-17 October 2008, at FAO headquarters in Rome, Italy. This Committee will assess the current global food situation and implications for the future. Special events will also be organised to consider the impact of high food prices on nutrition and the theme of high prices, food security issues and policy responses. For more information contact: Kostas Stamoulis; e-mail: FAO-CFS@fao.org; Internet: http://www.fao.org/UNFAO/Bodies/cfs/cfs34/index_en.htm

3-4 November 2008, Paris, France, OECD POLICY DIALOGUE ON AID FOR TRADE. The OECD, with the support of the European Commission and the German Marshall Fund of the United States, is organising a Policy Dialogue on Aid for Trade on 3-4 November 2008 in the OECD Conference Centre. The main objectives of this two-day event is to discuss between policy makers, practitioners and academics how the developing community can help developing countries to build trade capacity and address supply-side constraints, in order to realise the full benefits from their integration in the world economy. Participation to this event is by invitation only. For more information, contact: e-mail: aft.dialogue@oecd.org; fax: : +33 1 44 30 61 59; Internet: <http://www.oecd.org/trade/aftdialogue2008>.

19-22 October, Manila, the Philippines. THIRD GLOBAL CONGRESS OF WOMEN IN POLITICS AND GOVERNANCE. The theme of the Third Global Congress of Women in Politics and Governance is "Gender in Climate Change and Disaster Risk Reduction." The congress is jointly organised by the Center for Asia-Pacific Women in Politics (CAPWIP) and the UN International Strategy for Disaster Risk Reduction (UN/ISDR). The congress will focus on how to strengthen women's involvement in areas of environmental management and governance. For more information contact: Internet: <http://www.capwip.org/3rdglobalcongress.htm>.

RESOURCES

A BIGGER WORLD : GLOBALISATION IS ENTERING A NEW PHASE, WITH EMERGING-MARKET COMPANIES NOW COMPETING FURIOUSLY AGAINST RICH-COUNTRY

ONES. WHAT WILL THAT MEAN FOR CAPITALISM? By Matthew Bishop. In: Economist 388 (8598, 2008). Globalisation used to mean, by and large, that business expanded from developed to emerging economies. Now it flows in both directions, and increasingly also from one developing economy to another. Business these days is all about "competing with everyone from everywhere for everything", write the authors of "Globality," a new book on this latest phase of globalisation by the Boston Consulting Group (BCG). One sign of the times is the growing number of companies from emerging markets that appear in the Fortune 500 rankings of the world's biggest firms. It now stands at 62, mostly from the so-called BRIC economies of Brazil, Russia, India and China, up from 31 in 2003, and is set to rise rapidly. On current trends, emerging-market companies will account for one-third of the Fortune list within ten years, predicts Mark Spelman, head of a global think-tank run by Accenture, a consultancy. To access the article, please refer to http://www.economist.com/specialreports/displaystory.cfm?story_id=12080751.

ADAPTATION: AN ISSUE BRIEF FOR BUSINESS. The World Business Council for Sustainable Development, August 2008. Changes in the Earth's climate system are already creating issues for how business operates. While the magnitude and frequency of climate impacts is uncertain, the consequences of some climate change impacts are unavoidable. These include, water scarcity, disruption of international markets, increased frequency of extreme weather events, and potential mass migration of people. According to the United Nations Framework Convention on Climate Change (UNFCCC), adapting to climate change will require the right measures to reduce the negative impacts of climate change (or exploit the positive ones) by making the appropriate adjustments and changes. 'Adaptation: An issue brief for business' presents an overview of climate adaptation issues from a business perspective. The report examines the potential impacts of climate changes on business, risks and opportunities, the business case for adaptation planning, and highlights areas in which business could have a role in promoting adaption, both at community and global levels. To access this brief, please refer to <http://www.wbcsd.org/Plugins/DocSearch/details.asp?DocTypeId=25&ObjectId=MzA5ODc&URLBack=%2Ftemplates%2FtemplateWBCSD2%2FLayout.asp%3Ftype%3Dp%26MenuId%3DODU%26doOpen%3D1%26ClickMenu%3DRightMenu>.

DEPLOYING RENEWABLES: PRINCIPLES FOR EFFECTIVE POLICIES. By the International Energy Agency, September 2008. Renewable energy can play a fundamental role in tackling climate change, environmental degradation and energy security. As these challenges have become ever more pressing, governments and markets are seeking innovative solutions. Yet, what are the key factors that will determine the success of renewable energy policies? How can current policies be improved to encourage greater deployment of renewables? What impact can more effective policies have on renewables' share in the future global energy mix and how soon? Deploying Renewables: Principles for Effective Policies addresses these questions. Responding to the Gleneagles G8 call for a clean and secure energy future, it highlights key policy tools to fast-track renewables into the mainstream. This analysis illustrates good practices by applying the combined metrics of effectiveness and efficiency

to renewable energy policies in the electricity, heating and transport sectors. It highlights significant barriers to accelerating renewables penetration, and argues that the great potential of renewables can be exploited much more rapidly and to a much larger extent if good practices are adopted. Carefully designed policy frameworks, customised to support technologies at differing stages of maturity, will deliver a strong portfolio of renewable energy technologies. Deploying Renewables: Principles for Effective Policies provides recommendations on key principles for policy design as a template for decision makers. For further information, please refer to <http://www.iea.org/W/bookshop/add.aspx?id=337>.

INCENTIVISING CLIMATE MITIGATION : ENGAGING DEVELOPING COUNTRIES. By Richard Perkins. In the Harvard international review 30 (2, 2008) : 42-47. The challenge of tackling human-derived climate change has emerged over the past two decades to become one of the most important, yet divisive, issues on the agenda of the international political community. Within international debates, developing countries have historically portrayed themselves as innocent victims of profligate greenhouse gas (GHG) emissions in the industrialised "North." States from the "South" have successfully argued that a combination of low emissions, widespread poverty, and limited capabilities means that they should be exempted from quantified mitigation (i.e. emission reduction) targets. More recently, the special status of developing countries has come under growing scrutiny. Against a back drop of rapid urban industrialisation in a number of the largest developing countries, the developing world will soon overtake the developed one as the leading source of GHG emissions. To access the article, please refer to <http://www.entrepreneur.com/tradejournals/article/184710767.html>.

THE WTO DOHA ROUND IMPASSE: IMPLICATIONS FOR AFRICA. Overseas Development Institute, September 2008. The negotiations, known as the 'Development Round', had the ultimate objectives of reducing poverty and promoting development. Seven years later, the outlook is bleak. The Doha talks were suspended in July 2008, with trade negotiators increasingly lacking support from their governments. Future elections and rising food and energy prices have exacerbated protectionist tendencies and shifted the focus from international development to self-interest. There are serious concerns as to whether talks can be revived. To access this article, please refer to <http://www.odi.org.uk/publications/briefing-papers/41-wto-doha-round-impasse-implications-for-africa.pdf>.

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