



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

Volume 13 · Number 40, 18 November 2009

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Bridges Weekly Trade News Digest© is published by the International Centre for Trade and Sustainable Development (ICTSD), an independent, not-for-profit organisation based at Ch. de Ballexert 7, 1219 Geneva, Switzerland, tel: (+41) 22-917-8492; fax: 917-8093. To subscribe to Bridges Weekly Trade News Digest or access back issues, visit <http://ictsd.net/news/bridgesweekly/>.

Bridges Weekly Trade News Digest is made possible through the generous support of the Government of the United Kingdom (DFID) and ICTSD's core donors including the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK) and NOVIB (NL). Bridges Weekly also benefits from support for the Bridges series of publications from donors including the Rockefeller Foundation and the Swiss Agency for Development and Cooperation.

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## LEAD STORIES

### WTO Ministerial Can Send 'Strong Signals' to the World: Lamy

The WTO's upcoming ministerial meeting can "send a number of strong signals" to the world about the issues that matter most to the organisation, WTO Director-General Pascal Lamy told a meeting of the WTO's General Council on Tuesday.

Less than two weeks remain before trade ministers arrive in Geneva for three days of speeches, working sessions and side events. But one thing that the ministers will not be doing while they are in town – at least not officially – is engaging in Doha Round negotiations.

"We have all agreed that this regular ministerial conference will not be a negotiating session and that the [Doha Development Agenda] is on its own, separate track," Lamy told the General Council.

"At the same time, I think we agree that what is needed more than anything in the current economic situation is a platform for ministers to review the functioning of this house in its entirety and to renew their commitment to a strong, well functioning multilateral trading system," Lamy told the delegates.

The Doha Round trade talks – which have stumbled repeatedly since they were launched in the Qatari capital in November 2001 – have hit a particularly slow spot this autumn. Delegates are frustrated at the sluggish pace of the negotiations, and some trade commentators have been wondering aloud as to whether the round can be resuscitated.

But speaking at a book launch on Tuesday evening, Lamy stressed that the Doha Round "is

not at an impasse,” and that progress is continuing, if slowly. Speaking to the General Council earlier that day, he urged delegates to throw themselves into their work.

“What is clear is that if we are to conclude this round in 2010 as you have pledged to, we will need to take a hard look at where things stand early in the new year and map the road that would lead us to a successful result,” he said.

### **‘Breathing space’**

But the slowing of the pace in the global trade talks could have a silver lining, says Aaron Cosbey, a trade expert at the International Institute for Sustainable Development, a Canadian-based think tank. Cosbey argues that the deadlock in the Doha Round negotiations provides “breathing space” for WTO members to think about how to improve the functioning of the global trade body.

In a new book, Cosbey sets out a ‘sustainable development roadmap’ for the WTO. Proceeding from the commitment to sustainable development set out in the organisation’s founding agreements, he proposes reforms to the institution’s processes for negotiation, accession, and dispute settlement, as well as its day-to-day activities. Notably, he calls for the creation of an independent panel analogous to the Intergovernmental Panel on Climate Change to provide WTO members with objective technical advice on the potential economic, environmental, and developmental impacts of different negotiating outcomes. He also urges WTO members to create a framework for assessing the institution’s performance vis-à-vis its sustainable development goals.

### **Two items on the ministerial agenda**

Such questions about the overall function and purpose of the WTO will no doubt be debated at the upcoming ministerial meeting, but it is unlikely that ministers will arrive at any broad-based agreements on organisational reform.

Indeed, at this point, ministers will have only two items on which to make a decision: e-commerce and so-called non-violation complaints under the WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Earlier this

month, delegates struck a compromise on ministerial wording that would extend the existing moratoria on import tariffs on goods bought and sold online, as well as on non-violation complaints (see Bridges Weekly, 11 November 2009, <http://ictsd.org/i/news/bridgesweekly/59219/>). Ministers will consider the forwarded recommendations during the three-day meeting.

A proposal entitled ‘Strengthening the WTO’, that was put forward by India last month will be up for discussion, but ministers will not be asked to make a decision on it.

Despite the limited number of ministerial decisions that will be taken, Lamy urged delegates on Tuesday not to downplay the importance of the meeting.

“I see the upcoming ministerial conference as a unique occasion for the WTO membership to send a number of strong signals to the world with respect to the entire WTO waterfront of issues - from monitoring and surveillance to disputes, accessions, Aid for Trade, technical assistance and international governance,” he added.

The upcoming ministerial conference, which will take place in Geneva from 30 November to 2 December, will be the organisation’s first such meeting in nearly four years. Lamy acknowledged that the gathering “is long overdue.”

Preparations for the meeting are underway. Senior capital-based officials will arrive in Geneva for a week of intensive talks before the ministerial kicks off the following Monday. Closing his address to delegates, Lamy noted that he will inform members of the schedule of senior officials meetings at an informal meeting of the Trade Negotiations Committee – open to the entire WTO membership – on Monday afternoon. Lamy said that he hopes that the senior officials’ meetings will “set the stage for a positive ministerial conference.”

### **Palestinians wins *ad hoc* observership**

Also at Tuesday’s General Council meeting, delegates granted the Palestinian Authority *ad hoc* observership status to the upcoming ministerial

conference, just as they did for the WTO's last ministerial meeting, held in Hong Kong in 2005.

The Palestinians have been lobbying to win full observership status to the WTO, but those negotiations are still ongoing (see Bridges Weekly, 23 September 2009, <http://ictsd.org/i/news/bridgesweekly/55765/>).

The Palestinian Authority is not officially recognised as a state in the United Nations system, but the WTO allows both states and customs territories to become observers to the organisation, or even full members. Current non-state members of the WTO include Hong Kong, Macau and Taiwan.

#### More information

The full text of Lamy's speech to the General Council is available here: [http://www.wto.org/english/news\\_e/news09\\_e/tnc\\_chair\\_report\\_17nov09\\_e.htm](http://www.wto.org/english/news_e/news09_e/tnc_chair_report_17nov09_e.htm)

ICTSD reporting.

## OTHER NEWS

### APEC Leaders Call for Doha Deal, Deeper Regional Integration

Leaders of the 21 countries of the Asia-Pacific Economic Cooperation (APEC) forum tackled the WTO's Doha Round of trade talks and the future of a potential Pacific-wide trade pact at a three-day summit in Singapore last week.

On the Doha Round, the leaders - whose economies account for roughly half of global trade -- agreed that a strong political push was critical to injecting momentum into the global trade talks, and they pledged their commitment to completing the round by late 2010.

Trade ministers will gather at the WTO's headquarters in Geneva later this month to evaluate progress in the Round, which celebrated its eighth birthday last week. Trade officials have been frustrated with the slow pace of progress in the talks, which have shown little movement

despite an intensive negotiating schedule over the past few months.

#### Regional trade integration

Turning to regional integration, the APEC leaders vowed to move ahead on a proposed Free-Trade Area of the Asia-Pacific (FTAAP), a deal that would aim to deepen economic ties among the countries along the Pacific Rim.

Several leaders stressed that negotiations toward a Trans-Pacific Strategic Economic Partnership Agreement (TPP), originally set in motion by the United States under the Bush administration (see Bridges Weekly, 25 September 2008, <http://ictsd.org/i/news/bridgesweekly/29777/>) could serve as a possible way to move forward with the FTA.

Speaking in Tokyo ahead of the APEC meeting, US President Barack Obama seemed to support such a push forward in the TPP talks. The US "will ... be engaging with the Trans Pacific partnership countries with the goal of shaping a regional agreement that will have broad-based membership and the high standards worthy of a 21st-century trade agreement," he said.

Obama's statement was welcomed by leaders in the US Senate Finance Committee.

"The world has been waiting for the United States to reassert its leadership on trade, and today's announcement is an important first step," Charles Grassley, top Republican of the US Senate's Finance Committee said. "If we can reach an agreement, it will create new opportunities for US exporters and help strengthen our position in the Asia-Pacific region," he added.

But some US stakeholders have yet to be convinced of the benefits of the TPP. Farmers and ranchers fear a surge of meat and dairy imports from New Zealand, while textile producers are concerned about increased competition from Vietnamese imports. Officials in Washington have indicated that they are sensitive to such stakeholders' apprehension.

"Our intent is to engage with [TPP partners] to see whether we can shape that initiative into one

that is comprehensive and a very high standard and could serve as a platform for further trade liberalisation and regional integration in the region," Michael Froman, Washington's Deputy National Security Advisor for Economic Affairs, said at a news conference. "We'll begin those discussions with the current and potential future members of the Trans-Pacific Partnership, and see whether this is something that could prove to be an important platform going forward."

The proposed Trans-Pacific Partnership would include seven countries besides the US: Australia, Brunei, Chile, New Zealand, Peru, Singapore and Vietnam.

The APEC leaders echoed their previous vows to resist trade protectionism, and called for both structural reforms within markets as well as deeper regional integration, "to facilitate a more seamless flow of goods and services, and business travellers throughout the Asia-Pacific."

The main proposal for structural reform discussed at the meeting was the Ease of Doing Business Act, which aims to reduce the costs, time, and bureaucracy of trade transactions by 25 percent by 2015. Some leaders also suggested enhancing cross-border transportation linkages, including land, sea, and air transport.

### **Climate and Trade**

On climate change, the leaders acknowledged that "efforts to address climate change must be consistent with our international trade obligations," and that global reduction of greenhouse gases will require both financial assistance and technology transfer to developing countries.

The leaders upheld as "a key thrust in APEC's sustainable growth agenda," the forum's work programme on Environmental Goods and Services (EGS), an initiative that aims to increase the utilisation and dissemination of clean energy technologies, reduce existing barriers to trade and investment in EGS, and enhance economies' abilities to develop their EGS sectors. The Doha negotiations have also focused on liberalising trade and investment in EGS, but have so far failed to reach concrete agreements.

"We will explore ways to reduce barriers to trade and investment in environmental goods and services (EGS) and will refrain from introducing new barriers to trade in EGS," the APEC leaders said in the statement.

APEC consists of 21 member states: Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Korea, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, and the US.

### **More information**

The APEC leaders' statement is available here: <http://ictsd.org/downloads/2009/11/apec-leaders-statement.pdf>

ICTSD reporting.

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## **World Food Summit Falls Short of Expectations**

The World Summit on Food Security in Rome brought together 60 heads of state and scores of representatives from intergovernmental organisations to address the needs of the nearly 1 billion people around the world who suffer from undernourishment. The summit aimed to revitalise the United Nations Committee on Food Security and confront the global challenges of feeding the world's hungry, but the official declaration that emerged from the meeting was widely criticised as unsubstantial.

The meeting, which lasted from 16 to 18 November, was hosted by the UN Food and Agricultural Organization (FAO), which is based in Rome.

At the close of the three-day summit, FAO Director-General Jacques Diouf, who had kicked off the summit with a fast to demonstrate solidarity with the hungry, voiced regret that the officials had failed to agree to "targets or deadlines that would permit better monitoring and implementation."

Early drafts of the summit declaration aimed to eliminate hunger completely by 2025, an acknowledgement of the challenges facing Millennium Development Goal (MDG) to halve hunger by 2015. But the final summit declaration, issued shortly after the meeting began on Monday, simply reinforced commitments to the MDG on food security.

The question of how to revitalise the UN Committee on Food Security (CFS) took centre stage. The summit declaration made the CFS a 'central component' of a 'Global Partnership for Agriculture, Food Security and Nutrition' to coordinate international governance on food security. However, questions about funding, monitoring and implementation remain unresolved.

Olivier De Schutter the UN Special Rapporteur on the Right to Food, noted that past approaches solve hunger had failed due to the "absence of accountability and follow-up on commitments made summit after summit."

Representatives of NGOs present in Rome for the meeting voiced disappointment, pointing out that rich country heads of state had not attended the summit, and that the outcome had left many questions hanging. "The summit didn't give the CFS money, made no commitments, or ability to monitor," Matt Grainger of the NGO Oxfam told Bridges. "The summit sanctioned the CFS to address global governance on hunger but didn't give it any of the tools."

### **Agricultural trade**

Trade was low on the agenda at the summit and only featured as a component of one of the round table discussions. The summit declaration addressed the issue in two paragraphs and called for a 'timely, ambitious, comprehensive and balanced conclusion' to the WTO's Doha Round of trade talks. The declaration also commits signatories to refrain from taking measures that have "adverse impacts on global, regional and national food security" and that are "inconsistent with WTO rules."

But Oxfam's Grainger challenged the principle of that clause, noting that even if a trade measure is

WTO-consistent, it could still pose a threat another country's food security.

Other NGOs pointed out that the summit statement fails to address the role that developed country subsidies and market access barriers play in shaping global agricultural production and trade. Alexandra Spieldoch of the Institute for Agriculture and Trade Policy noted that the "WTO seemed very secondary" at the Summit and that the officials had shown a "misunderstanding the current failure of the food system."

"This is a moment to rethink the model" of agricultural production, Spieldoch said, adding that three years' worth of calls for urgent action have not yet yielded sufficient results.

### **Food and climate change**

Addressing the summit, UN Secretary-General Ban Ki-moon cautioned participants that "food security and climate change are deeply interconnected" and that there could be "no food security without climate security."

The theme, woven through his speech, called attention to the upcoming climate change conference in Copenhagen and the need to work with intergovernmental organisations, the private sector, and civil society to help realise the right to food.

Moon's words were also echoed in the WSFS declaration, as well as in a declaration that emerged from a civil society summit that was held in parallel to the FAO-sponsored gathering. The NGOs called for an "ecological model of food provision," while the FAO summit participants agreed that "climate change poses additional severe risks to food security and the agriculture sector."

### **More information**

The FAO summit declaration is available here [http://www.fao.org/fileadmin/templates/wsfs/Summit/Docs/Final\\_Declaration/WSFS09\\_Declaration.pdf](http://www.fao.org/fileadmin/templates/wsfs/Summit/Docs/Final_Declaration/WSFS09_Declaration.pdf)



The NGO summit declaration is available here [http://peoplesforum2009.foodsovereignty.org/final\\_declarations](http://peoplesforum2009.foodsovereignty.org/final_declarations)

ICTSD reporting.

## COPENHAGEN COUNTDOWN

### Special Section: Climate Change Financing

*Each week leading up to the UNFCCC's 15th Conference of the Parties, Bridges Weekly will be providing readers with background and analysis on key issues facing negotiators as they prepare for December's meeting in Copenhagen. This week's article highlights the ongoing debate over how to finance countries' efforts to mitigate greenhouse gas emissions and adapt to a changing climate.*

Meeting the challenges that climate change poses to both developed and developing countries will require enormous and costly structural changes. Securing new and effective financing for climate change adaptation and mitigation is critical to any global agreement reached in Copenhagen, and in most countries, meeting the costs and absorbing external financing will require major fiscal reordering. These changes, which would be difficult and costly for any country to undertake, pose particular challenges to developing countries.

Precisely because climate change is caused by emissions from a broad spectrum of economic activities, efforts to address it will impact the way goods and services are produced and traded around the globe. Furthermore, the inevitable impacts of a changing climate imply vast social and ecological implications, especially in the most vulnerable areas of the world like the least developed countries (LDCs) and the small islands developing states (SIDS). For these countries, effective and predictable sources of funding are fundamental to helping their economies such as to mitigate climate change while adapting to impacts or, in the worst of cases, responding to disasters.

Estimates of the total global costs of mitigating greenhouse gas emissions and adapting to the

changing climate vary widely from source to source, yet all of the figures are head-spinning. According to the 2009 World Development Report published this month, between US\$ 140 billion and US\$175 billion will be needed annually to help developing countries implement the mitigation measures that would be needed to prevent the world from warming more than 2°C. Notably, up-front investments will need to be even greater, as the economic savings associated with energy efficiency and the use of renewable energy sources only appear over time. McKinsey & Company, the global consulting firm, estimates that an extra US\$ 563 billion above and beyond business-as-usual investments will be needed to jump-start the process (McKinsey 2009).

Current financing for both mitigation and adaptation falls far short of such estimates, amounting to less than 5 percent of the projected requirements. But political promises from developed countries in recent weeks indicate that the tide may be shifting. Aside from individual country statements, the G8 and the G20 have stressed that financing for climate change is a top priority.

### Financing top of the agenda for the Copenhagen outcome

This past week, heads of state and government at the APEC Summit backed the Danish Prime Minister, Lars Løkke Rasmussen, in signalling that Copenhagen will produce a 'political agreement' in lieu of the legally binding treaty that was originally expected, with a possible treaty emerging after continued negotiations (see related story, this issue). With the two largest emitters and a solid regional block leaning in this direction, any major variation of this scenario is highly unlikely. However, US President Barack Obama was quick to clarify this week that the Copenhagen meeting should result in an "accord that covers all of the issues in the negotiations and one that has immediate operational effect." The question remains: what will Copenhagen produce, and how far can the outcome go to set the objectives of the forthcoming treaty?

Two issues have emerged as top priorities in the talks: financing and mitigation. The two topics are deeply linked. Stronger mitigation will both avert

climate impacts and reduce the costs of adaptation, but, at the same time, greater mitigation measures will require greater funding. Mitigating emissions is particularly complicated for countries that are concurrently struggling with basic development needs such as access to water, health care, education, and civil strife. The same goes for adaptation costs in such countries.

#### Sourcing financial support

Identifying sources of financing has been one focus of the climate negotiations. Countries recognise that developed countries will need to provide new and additional financial resources, but they continue to disagree over how such sources can be made reliable and sufficient. Many developing countries assert that financing for climate change – and especially for adaptation – should come primarily from the public sector. But most rich countries counter that public monies should only be used to leverage the much greater levels of financing that are available in the private sector.

Officials also continue to debate whether climate financing should be bundled into overseas development assistance (ODA) or kept strictly separate. Proponents of the former stress the efficiency of using existing institutions and the apparent overlap of objectives and activities. Opponents assert that the intermingling of ODA and climate funds will result in less per-country financing for each objective, that current institutions already struggle to deliver finance effectively, and that ODA decision-making is an inherently unbalanced process.

According to the OECD, the total volume of private investment flows that aim to mitigate greenhouse gas emissions is between six and ten times larger than the amount of public money devoted to the same cause. Further exploration of how to catalyse foreign direct investment (FDI) to help finance the climate fight is critical. According to the OECD, FDI to developing countries amounted to US\$ 259 billion between 2003 and 2005. However, 54 percent of those funds were directed to activities that are not relevant for climate change mitigation. Likewise, less than a quarter of bilateral overseas development assistance commitments between 2003 and 2007

were directed to mitigation-relevant activities in developing countries.

In addition to the broad discussion on where the funding will come from, the climate financing negotiations are also considering proposals on a variety of issues, including a possible uniform global levy on CO<sub>2</sub> emissions (LDCs would be exempted); levies on international aviation and maritime transport, except for journeys from or to LDCs; how to use the proceeds generated by the Clean Development Mechanism and emissions trading; and possible external debt swap/relief for sustainable development in developing countries. These proposals are under discussion and will require substantial time for refinement and agreement.

#### Maximising opportunities for resilience

Another potential source of funding – and one that has not received much attention in the global climate talks – is the WTO's Aid for Trade initiative. Aid for Trade is a development assistance approach that has emerged from the WTO's Doha Round of trade negotiations. The initiative is intended to help developing countries take advantage of trade opportunities while strengthening their ability to fight for their interests in trade negotiations. It includes measures such as trade negotiation capacity building, infrastructure and marketing development, and ultimately is intended to help build economic resilience, particularly in LDCs and small and vulnerable economies. Notably, these countries, along with Small Island Developing States, are at the greatest risk for climate change impacts and require the greatest and swiftest adaptation support.

Because Aid for Trade and climate change financing address many of the same objectives, the two instruments could be conceived and implemented in a coherent and supportive manner. Specifically, climate change adaptation objectives could be targeted in two major Aid for Trade sub-categories: economic infrastructure and building productive capacity. Within economic infrastructure, adaptation projects could play a major role in transport and storage, as well as in energy supply and generation. Within building productive capacity, the agriculture and fisheries

industries represent key sectors that are relevant from the perspective of economic resilience and climate change.

In this sense, officials could bolster climate financing by streamlining it with 'Aid for Trade' activities that are ongoing in many developing countries.

### **Governing finance**

Another key issue in the current discussions is how financing will be governed. Among other questions, officials are debating the institutional structures for delivery and the question of direct access for recipient countries. The negotiations have already narrowed options significantly, but differences remain over many of the details of what a financial architecture for climate change should look like. One key discussion relates to the monitoring of funds, referred to as "monitoring, reporting, and verifying" or MRV. The question cuts both ways, as some parties wish to create a system that increases certainty about the delivery of adequate funds from developed countries, while others wish to ensure that whoever uses those funds will be held accountable.

### **Key issues and concerns for SIDS, LDCs, and Small and Vulnerable Economies**

Constructing and strengthening institutional capacities in LDCs will also be fundamental to addressing pressing climate challenges. LDCs like Malawi and Tanzania are currently struggling to fill critical posts and create effective financial mechanisms to support their climate efforts. Moreover, National Adaptation Plans of Action (NAPAs) and their implications in both countries are not well understood at the regional and local levels, and the two countries' national budgets seem to neglect to provide any funds for climate change.

ICTSD reporting.

## **IN BRIEF**

### **Leaders Announce Delay in Legally Binding Climate Deal**

Twenty-one heads of state meeting at an Asia-Pacific Economic Cooperation (APEC) summit declared on Sunday that a binding treaty at next month's climate change summit in Copenhagen would not be feasible. Instead, the leaders agreed to back a political deal proposed by Danish Prime Minister Lars Rasmussen, who flew to Singapore to discuss the status of climate change talks with the group.

In essence, the group's position, which was later backed by the European Union, encompasses a two-step approach that includes both a strong, action-based political agreement and the promise of a comprehensive pact in the near future.

"Even if we may not hammer out the last dots of a legally binding instrument, I do believe a political binding agreement with specific commitment to mitigation and finance provides a strong basis for immediate action in the years to come," Rasmussen said.

Rasmussen proposed the new game plan to reach a binding agreement on reducing greenhouse gas emissions, which would include a 5-8 page document with "precise language of a comprehensive political agreement," followed by continued negotiations to be concluded preferably before the next Conference of the Parties set for December 2010 in Mexico City.

Many developing countries and climate advocates argue that the shift in goals is an attempt to save face in light of the improbability of a robust agreement to address climate change in Copenhagen, as was initially intended.

European officials said they were not surprised with the announcement, but pushed for governments to make concrete progress at the summit, and not to treat it simply as a delay.

"We shouldn't set the bar too low," said Christoph Steegmans, German deputy



government spokesman. “Copenhagen must become an important milestone on the way to a decisive accord next year. Nobody can shirk their responsibility.”

On the heels of the APEC meeting, and perhaps to assure concerned observers that the global process was not on the brink of failure, US President Barack Obama, speaking in Beijing on Tuesday, gave his most significant pledge to work towards a comprehensive agreement on climate change, despite the delay. He proposed a new pact that would require rigid targets on mid-term emissions from developed countries, “pledges” from emerging economies to curb their emissions growth, finance to support mitigation in developing countries broadly, and a set of institutions to ensure that such promises are kept.

“Our aim...is not a partial accord or a political declaration but rather an accord that covers all of the issues in the negotiations and one that has immediate operational effect,” he said.

Obama has been reluctant to speak forcefully on climate change commitments, largely due to the fact that the US Senate has yet to pass climate legislation and is not expected to debate its current draft bill before next year.

ICTSD Reporting; “APEC Concedes Copenhagen Climate Treaty Out of Reach,” BLOOMBERG, 16 November 2009; “Obama damps hopes for final treaty on climate change at Copenhagen,” FINANCIAL TIMES, 16 November 2009; “Obama renews climate pledge,” FINANCIAL TIMES, 17 November 2009; “Denmark seeks specific pledges at climate talks,” AP, 17 November 2009.

## WTO IN BRIEF

### New ‘Consolidated Text’ on Trade Facilitation Expected Soon

A new, consolidated text for the WTO negotiations on trade facilitation should be released to delegates later this month, trade sources said last week.

The new rules under negotiation aim to simplify customs procedures, cut red tape, reduce corruption, and enhance developing countries’ capacity to engage in international trade. The talks could have a significant impact: the World Bank estimates that increased efficiency in ports and airports could cut the costs of conducting trade by 50 percent and boost global trade in manufacturing by up to US\$ 377 billion each year.

Over the course of last week’s meetings, delegates in the WTO’s negotiating group on trade facilitation finished their review of Article VIII of the General Agreement on Tariffs and Trade (GATT), which covers trade-related fees and formalities. During meetings in October, members reached agreement on draft language for GATT Article V (the freedom of transit for goods from other member states) and Article X (transparency in the regulation and administration of trade regulations).

But sources stressed that the new document will not be a ‘chair’s text’ – delegates’ term for a document that presents a single, unified view of how members should find consensus in the negotiations. Instead, the new draft will contain – in brackets to indicate lack of consensus – all of the positions that members have put forward, even those that are contradictory. The new consolidated text will serve as the basis for negotiations when the talks on trade facilitation pick back up during the second week of February 2010.

The forthcoming draft is a spot of good news at WTO headquarters, where most negotiating groups have been spinning their wheels in recent weeks, producing few concrete results. But not so for the trade facilitation talks, which “always have a different momentum,” one delegate said.

Despite the progress, sources say there is still plenty of room for disagreement. Many developing countries want to see guarantees of significant levels of technical assistance and capacity building (TACB in delegate-speak) and special and differential treatment (S&DT) before they offer up their own commitments in the negotiations. But some rich countries insist that they will only begin negotiating such ‘flexibilities’

for developing-country members once they see what those countries can put on the table in other areas of the talks. The discussions on goods in transit could also prove difficult for negotiators to navigate, largely due to disagreement over how oil and gas pipelines should be treated.

ICTSD reporting.

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## Delegates Frustrated at Slow Pace of Services Talks

Two weeks of intense WTO negotiations to liberalise trade in services have been largely disappointing, delegates reported. “There was no progress on anything,” one official said, noting that the meetings amounted to “a repetition of everything that has been said for the last two years.”

While some experts had expected the talks to show some new dynamics in the light of the global financial and economic crisis, none of the three proposals on financial services that negotiators discussed at the meeting garnered consensus approval.

The first proposal submitted came from the United States and called for negotiators to increase information exchange on a select group of services, particularly non-life insurance services. But some delegates expressed unease with the proposal, on the grounds that it gave too much weight to the concerns of developed countries.

A second proposal, this one from Pakistan, considered regulatory frameworks for e-banking and e-trade, particularly in light of the fact that some developing countries’ markets and regulatory frameworks have struggled to handle increased traffic on this front. While the proposal was not opposed outright, in the end there was “no agreement that the Pakistan proposal could go ahead,” one delegate said.

Concerning the financial services sector, delegates also considered proposal from Argentina, Ecuador, India and South Africa that would have the WTO secretariat help the negotiators examine

the links between trade in financial services and the ongoing economic and financial crisis.

The proposal, as presented, would have two phases. In the first, the secretariat would compile a list of provisions in the General Agreement on Trade in Services that are relevant to financial services and government stimulus measures, conduct a literature review of recent studies on the matter, and organise a dedicated session at the WTO to update members on new findings. Then, in phase two, the secretariat would provide a subjective analysis of how national stimulus measures have impacted trade in financial services. That analysis, however, would be conducted on a ‘non-attributable basis’, the proposal stressed, meaning that countries would not be called out for specific measures that their governments had adopted.

Most delegates reportedly welcomed the first part of the proposal, but some expressed unease over ‘Phase Two’. The United States opposed it outright, much to the consternation of some other delegates. “It’s unfortunate that something that is so dominant in every newspaper you open these days isn’t thought to be worthy of being discussed,” one delegate commented.

Controversies also remain in the market access negotiations. These talks are mandated to cover four broad topics, or ‘modes’ in WTO parlance: the cross-border supply of services (Mode 1); consumers or firms making use of a service in another country, as in the tourism industry (Mode 2); the ‘commercial presence’ of branches of services companies in other countries (Mode 3); and the movement of skilled workers across borders (Mode 4).

Developing countries have a strong interest in Mode 4 commitments by developed countries, i.e., the possibility that their skilled workers might be able to move more easily across borders to supply various services. But developed countries largely oppose deeper commitments on this mode, and developing countries “continue to be disappointed on mode 4 signals from developed countries,” one delegate said.

Delegates also considered a new proposal on the controversial negotiations on domestic regulation

disciplines. The proposal, which was put forward by a group of countries led by Switzerland, reportedly condenses some of the existing chair's draft text on procedures and was submitted as a confidential 'room document'.

ICTSD reporting.

## EVENTS & RESOURCES

### Events

#### Coming up this week: 18-24 November

19 November, Washington, DC, USA. THE DOHA ROUND: CAN WE GET TO YES? Throughout eight years of on-again, off-again, sometimes painful negotiations, a familiar refrain has been heard from trade ministers worldwide—that they “remain committed to the Doha Round.” How much has been accomplished thus far, and how did we get where we are today? Beyond the political rhetoric, what concrete steps could negotiators take to reach an agreement by the end of 2010? How has the political landscape influenced negotiations? If an agreement cannot be reached, what would that mean for the WTO and its member nations, particularly the least developed countries that this round was supposed to help? A panel of critics and former negotiators will ponder the future of the Doha Round of Negotiations. Registration is open until 18 November 2009. The event is organised by the Washington International Trade Association. For more information, visit <http://www.wita.org/ht/display/EventDetails/i/38066/pid/317>.

19-20 November, Paris, France. 7TH WORLD FORUM OF SUSTAINABLE DEVELOPMENT: THE CRISIS, THE ECOLOGICAL ORDER, AND THE CLIMATE. The global crisis is multidimensional. Beyond the debates on its effects, its contagion, its duration or intensity, it raises the question of the restructuring of production and energy systems, of a new international architecture and a new ecological world order. The United Nations Conference on Climate Change in Copenhagen in December 2009 will be at the heart of after-Kyoto

climate negotiations and in the background of debates on new modes of production and consumption, new technologies, public policies and incentives on the part of policymakers or strategies for the reconversion of private companies. Strategies of resilience, adjustment and mitigation relate to a plurality of public and private actors. The forum will discuss: Negotiations on the Climate: From Kyoto to Copenhagen, The Context of the Global Crisis and the Ecological World Order, Resilience and Mitigation: The Role of the Actors' Strategies, and The Mediterranean Area, the Middle East and the Climate. For more information, visit [http://www.fmdd.fr/paris\\_2009.html](http://www.fmdd.fr/paris_2009.html)

24-25 November, Berlin, Germany. 4TH INTERNATIONAL RENEWABLE ENERGY STORAGE CONFERENCE. The IRES 2009 presents new perspectives, the state of technology and especially the resulting energy storage applications that open up ground-breaking opportunities for the dynamic exploitation of electricity and heat from renewable sources. Besides the technological and scientific questions regarding an integrated regenerative energy system, IRES will also highlight the necessary political framework for the market penetration of renewable energy and the support schemes for energy storage technologies. The IRES conference series brings together stakeholders from the regenerative and conventional energy industries, from research and development, and politics. It acts as a stimulus for their strategies to enhance the entry of renewable energy. The conference programme is available online at [http://www.eurosolar.de/en/index.php?option=com\\_content&task=view&id=362&Itemid=105](http://www.eurosolar.de/en/index.php?option=com_content&task=view&id=362&Itemid=105)

24-25 November, Geneva, Switzerland. INTERNATIONAL CONFERENCE ON RISK ASSESSMENT AND MANAGEMENT. Risk permeates all aspects of life. A professional management of uncertainty is essential for the resilience and effectiveness of all organisations, be they governmental or business. The conference is organised to promote an exchange of experience on the use of risk assessment and management techniques in: technical regulations; standards; conformity assessment; accreditation; metrology; and market surveillance. The conference will benefit from input from academia, governmental

authorities, international standards organisations, conformity assessment bodies and business associations. For more details, please visit [http://www.unece.org/trade/wp6/documents/2009/2009\\_ConferenceRisk.htm](http://www.unece.org/trade/wp6/documents/2009/2009_ConferenceRisk.htm)

## WTO Events

An updated list of forthcoming WTO meetings is posted at [http://www.wto.org/meets\\_public/meets\\_e.pdf](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.

19 November: COMMITTEE ON AGRICULTURE

19 November: DISPUTE SETTLEMENT BODY

19 November: COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

24 November: COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

## Other Upcoming Events

30 November - 2 December, Geneva, Switzerland. SEVENTH WTO MINISTERIAL CONFERENCE. This three-day meeting will be a regular gathering of ministers to engage in a broad evaluation of the functioning of the multilateral trading system. It is not intended to serve as a Doha Round negotiating session. The general theme for the discussions will be 'The WTO, the Multilateral Trading System and the Current Global Economic Environment'. For more information, please visit [http://www.wto.org/english/thewto\\_e/minist\\_e/min09\\_e/min09\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min09_e/min09_e.htm)

30 November - 2 December, Geneva, Switzerland. GLOBAL TRADE AND DEVELOPMENT SYMPOSIUM. ICTSD is organising the Geneva Trade and Development Symposium (GTDS), to

take place over 3 days in parallel to the Seventh Ministerial Conference of the World Trade Organisation. The three broad topics for the GTDS will respond to the three principal types of challenges currently facing the multilateral trading system: institutional challenges, perspectives on the Doha Round, and new issues and challenges such as climate change. The symposium will be held at the World Meteorological Organisation (WMO) and will be open to all who wish to participate (however, registration is required). For more information, please see <http://www.ictsdsymposium.org/>.

7 – 18 December, Copenhagen, Denmark. 15TH CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE. Under the agenda agreed at the UN Climate Change Conference in Bali in December 2007, this conference is expected to finalise an agreement on a framework for combating climate change after the first commitment period of the Kyoto Protocol expires at the end of 2012. The sessions of the United Nations Framework Convention on Climate Change are open to Parties of the Convention and observer states (governments), the United Nations System and observer organisations duly admitted by the Conference of the Parties. In addition, accredited press is allowed to cover the proceedings of the Convention. For more information, please see <http://unfccc.int/meetings/items/4749.php>.

8-10 December, Geneva, Switzerland. MULTI-YEAR EXPERT MEETING ON TRANSPORT AND TRADE FACILITATION. Transport and trade facilitation infrastructure and services have become essential components for developing countries' competitiveness in the global market. Partnerships between the public sector and the relevant business sectors are critical in enhancing the efficiency and sustainability of transport and trade infrastructures and services. Governments are increasingly seeking private partners for the financing, building, operation and maintenance of such infrastructure and services. Public-private partnerships have proven to be successful cooperative means for the provision of public infrastructure and services. In the context of the current economic crisis, investment in transport infrastructure and services is confronted with

additional challenges. The meeting will explore best practices for public-private partnerships and the role of technology in developing efficient transport infrastructure and services to facilitate international trade in developing countries. The meeting will take into account the implementation of the Almaty Programme of Action in Land-Locked and Transit Developing Countries as well as specific issues faced by least developed countries and small island developing States. It will also consider the potential impact of future commitments ensuing from the World Trade Organization negotiations on trade facilitation. The findings and recommendations of this expert meeting will be reported to the second session of the Trade and Development Commission, to be held 3-7 May 2010. For more information, please visit

<http://www.unctad.org/Templates/meeting.asp?intItemID=1942&lang=1&m=17874>

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## Resources

A SUSTAINABLE DEVELOPMENT ROADMAP FOR THE WTO. By Aaron Cosbey, International Institute for Sustainable Development, November 2009. The impasse in the Doha negotiations offers both grounds for concern about the current regime's model, and the breathing space in which to thoughtfully consider how that model might better serve today's needs. This short book argues that the WTO has committed to sustainable development as one of its basic objectives, and asks what the organisation would look like if that objective were rigorously pursued. The answers (that range across areas as diverse as dispute settlement, accession, trade and environment, trade and development, and the negotiation process) identify what needs to be done and what role the WTO should play. The result is a timely roadmap for helping the WTO achieve its full economic, environmental and social potential. To download the publication, please visit <http://www.iisd.org/publications/pub.aspx?pno=1196>.

ACCESS TO CLIMATE CHANGE TECHNOLOGY BY DEVELOPING COUNTRIES: A PRACTICAL STRATEGY. By

Cynthia Cannady. ICTSD Programme on IPRs and Sustainable Development, September 2009. Enhancing access to climate change technology by developing countries is a key element of any effective international response to the global climate change challenge. The United Nations Framework Convention on Climate Change (UNFCCC) negotiating texts contain a wide spectrum of options and proposals relating to intellectual property that reflect a diversity of views on the matter. In this context, this issue paper aims to provide a practical perspective on how these options and proposals would work "in the real world" and the extent to which they would effectively enable developing countries to gain greater access to climate change technologies. This paper is aimed specifically at contributing to effective international cooperation towards addressing climate change, by advancing analytical capacity of stakeholders and their interaction with policy-makers such that effective solutions can be built and agreed by the international community at the Copenhagen COP-15, in December 2009. The paper is available at <http://iprsonline.org/ictsd/ictsdproducts.htm>

A DANGEROUS OBSESSION: THE EVIDENCE AGAINST CARBON TRADING AND FOR REAL SOLUTIONS TO AVOID A CLIMATE CRUNCH. By Sarah-Jayne Clifton. Friends of the Earth International, November 2009. Tackling greenhouse gas emissions to prevent dangerous climate change is one of the most pressing challenges facing humanity. The chance of keeping global average temperature increases below the critical threshold is fast slipping away. It requires a peak and decline in global emissions by 2015. Rich developed countries are responsible for three quarters of emissions historically despite representing only 15 per cent of the world's population. But developed countries have largely failed to take sufficient action to reduce greenhouse gas emissions or provide this much-needed finance to the developing world. In this context, carbon trading is increasingly being put forward as a tool for tackling climate change. Proponents of carbon trading argue that it helps to reduce emissions, and that it does this at the lowest cost, stimulates investment in low-carbon infrastructure and can help generate finance for developing countries to tackle climate change. This Friends of the Earth

report evaluates whether carbon trading can deliver the necessary emissions reductions quickly, strategically, and in a just and equitable way. It also looks at what alternative tools are available to governments. For more information on this publication, visit <http://www.foei.org/en/resources/publications/climate-justice-and-energy/2009/carbon-trading-a-dangerous-obsession-executive-summary/view>

PROMOTING INVESTMENT AND TRADE: PRACTICES AND ISSUES. UNCTAD, October 2009. This report focuses on institutional arrangements for investment and trade promotion. The main rationale for creating institutions that promote investment as well as trade is that both functions have certain activities in common, most importantly the marketing of a country and its key industries. However, it may be argued that investment promotion differs so much from trade promotion that it is necessary to have separate institutions for the two functions. Through a website review, this report shows that a majority of the institutions promoting foreign investment at the national level do so exclusively, while others also promote trade. The website review further indicated that combined agencies were more common in smaller economies. Integrating investment and trade promotion in a single agency could be a rational approach for smaller countries, where financial and human resources are often scarce and the need for international marketing is likely to be greater. However, there are also a number of arguments in favour of separate investment and trade promotion institutions. Whatever the circumstances, investment and trade promotion practitioners should not work in 'separate worlds'. Some common ground is likely to exist between them, and they may find partnerships to be fruitful. Information about this report is available at

<http://www.unctad.org/Templates/webflyer.asp?docid=12278&intItemID=2068&lang=1>