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LEAD STORIES

US Lawmakers Begin Debate on Russia Trade Restrictions

The highly-anticipated debate over whether to lift a decades-old law restricting trade with Russia is in full swing in the US Congress, with a Senate committee holding an initial hearing on the subject on 15 March. Meanwhile, leaders of anti-government protests in Moscow are also pushing for the repeal of the trade restrictions, arguing that keeping them intact would only benefit President-elect Vladimir Putin.

The Obama administration has strongly backed the removal of the US' trade restrictions on Russia, noting that keeping them would put US producers – particularly farmers and manufacturers – at a disadvantage against foreign competitors when Russia's WTO membership becomes final this summer.

Establishing Russia as a full trade partner will require the US Congress to repeal the Jackson-Vanik amendment, a legislative provision left behind from the Cold War that allows Washington to deny most favoured nation (MFN) status to nations that restrict freedom of emigration.

The US has waived the application of Jackson-Vanik since 1994.

Senator Max Baucus of the US state of Montana, who chairs the Senate Finance Committee – which has jurisdiction over tax and trade policy – has said that the Senate could take up legislation to repeal the Jackson-Vanik amendment “within a couple of months.”

The legislation is unlikely to move through Congress until after Russia's formal entry into the global trade body, he said.

Debate: trade versus human rights

The 15 March Senate Finance Committee hearing quickly set the tone of the debate, with lawmakers sparring on the Senate floor as to whether the benefits of removing the trade restrictions outweighed the concerns over Moscow's human rights record and foreign policy.

"To allow American businesses, workers, farmers, and ranchers to seize the opportunity that Russia joining the WTO presents, Congress must act," Baucus said at the hearing.

"Russia [Permanent Normal Trade Relations, or PNTR] is a one-sided agreement that benefits American workers and businesses and requires them to give up nothing in return," he added.

With Russia's expected WTO entry date in mind, a coalition of 173 US companies and business groups released a letter the day before the hearing also calling for lawmakers to repeal the trade restrictions. "Without PNTR, US companies and their employees will be left behind our competitors in this growing and profitable market," they said.

In response to Baucus' statement, Senator John Kyl, a Republican from the US state of Arizona, expressed scepticism over the benefits of granting Russia permanent normal trade relations.

"We still need to determine whether America is getting a good deal through Russia's WTO accession, and whether more should be done to protect our interests," he said on Thursday, referring specifically to a bilateral investment treaty that was ratified by the US Senate but not by Moscow.

He added that, while the emigration problem addressed by the Jackson-Vanik amendment might no longer exist, "Russia's blatant disregard for human rights and the rule of law is every bit as relevant today as it was decades ago," while also criticising Russia's relationship with Syria.

Meanwhile, a group of four senators from both parties has said that they would be willing to support the repeal of the Jackson-Vanik amendment, but only if it is replaced by a law that

would sanction Russian officials for human rights violations.

The sanctions bill, known as the Sergei Magnitsky Rule of Law Accountability Act, if passed would subject Russian officials connected to human rights abuses to travel bans and bar them from financial transactions in the US.

The House Foreign Affairs Committee was scheduled to explore Russia's human rights record in a hearing today; however, the House – which would also need to pass legislation to repeal the Jackson-Vanik amendment – has yet to announce any hearings to specifically discuss the trade restrictions.

Russian opposition backs Jackson-Vanik repeal

A few days prior to the Senate hearing, a letter signed by opposition organisations in Russia also called for a repeal of the trade restrictions.

"Although there are obvious problems with democracy and human rights in modern Russia, the persistence on the books of the Jackson-Vanik amendment does not help to solve them," the statement said, adding that the restrictions only help President-elect Putin by providing him the tools "to depict the United States as hostile to Russia."

"[Jackson-Vanik] limits Russia's competitiveness in international markets for higher value-added products, leaving Russia trapped in its current petro-state model of development and preventing it from transforming into a modern, diversified and more hi-tech economy," the letter added.

"Those who defend [Jackson-Vanik] in order to punish Putin's anti-democratic regime only darken Russia's political future, hamper its economic development, and frustrate its democratic aspirations," they said, suggesting instead that Washington implement legislation along the lines of the proposed Magnitsky bill.

The statement was signed by anti-corruption activist Alexey Navalny; leaders of the People's Freedom Party Boris Nemtsov, Vladimir

Ryzhkov, and Sergey Aleksashenko; former deputy energy minister Vladimir Milov; and Ilya Ponomarev, a member of Parliament from the Just Russia Party.

ICTSD reporting; “Senators push Russia trade restriction replacement,” ASSOCIATED PRESS, 17 March 2012; “GE Seeks Normal Trade With Russia to Open Market for U.S. Rivals,” BLOOMBERG BUSINESSWEEK, 15 March 2012; “Tensions over Syria could slow efforts to normalize Russia, U.S. trade relations,” THE HILL, 18 March 2012; “Russian Opposition Urges U.S. to End Cold War Trade Sanctions,” NEW YORK TIMES, 12 March 2012; “Putin critics say U.S. should open trade with Russia,” REUTERS, 12 March 2012; “Putin critics oppose Jackson-Vanik trade sanction law,” WASHINGTON POST, 13 March 2012.

OTHER NEWS

India Expected to Ask Airlines Not to Comply with EU Emissions Rule

The ongoing controversy over the EU’s plan to include aviation in its Emissions Trading System (ETS) ramped up another notch this week, with India reportedly planning to urge its airlines to boycott the scheme. Brussels, meanwhile, continues to stand firm in support of the ETS in the absence of a global agreement on aviation emissions.

India will soon ask local airlines not to buy carbon credits from or share emissions data with the 27-member bloc, an unnamed senior Indian government official told Reuters.

According to the news agency, New Delhi will implement the order on its airlines upon receiving formal approval from various ministries.

Should the dispute continue to escalate, New Delhi could also pursue additional options, such as asking airlines to cancel purchases of jets from European manufacturer Airbus, the government official said.

“We have lots of measures to take if the EU does not go back on its demands,” the official noted. “We have the power of the economy; we are not bleeding as they are.”

The EU rule, which requires airlines to surrender carbon permits for the emissions they produce during all flights taking off or landing in the 27-country bloc, has been criticised by various non-EU governments, which argue that Brussels is exceeding its legal jurisdiction by charging for aviation emissions over an entire flight, rather than just those in EU airspace.

Just last month, over 20 countries – including the US, China, India, and Russia – met in Moscow to agree on a basket of possible countermeasures against the inclusion of aviation in the EU scheme. (See Bridges Weekly, [22 February 2012](#)) The announcement fuelled fears that the EU could soon find itself in a trade war.

To date, China is the only country that has already taken action against the plan, barring its airlines from participating in the EU scheme without government approval.

Beijing has also reportedly halted the purchase of US\$14 billion in jets from Europe’s flagship airplane manufacturer, Airbus, according to recent claims made by the company.

Fear of a global trade war has also prompted various European airlines to criticise the plan, with a group of industry CEOs issuing a letter to the bloc’s political leaders last week citing concerns over the effects that the row could have on the European aviation industry. (See Bridges Weekly, [14 March 2012](#))

Under the EU Emissions Trading System, which entered into force on 1 January, airlines are required to buy permits for 15 percent of the carbon they emit; permits for the remaining 85 percent will be provided to them for free. Carriers will have to surrender permits for 2012 carbon production by 30 April 2013.

Airlines that fly to and from the EU bloc without complying with the scheme will face a fine of €100 for each tonne of carbon dioxide emitted and for which they have not paid allowances. Persistent

offenders could face a blanket ban from all EU airports.

EU holds its ground, reiterates call for global aviation emissions agreement

Many opponents to the inclusion of aviation in the EU scheme have also argued that Brussels' decision to proceed unilaterally on tackling aviation emissions could interfere with future plans for a global aviation emissions agreement.

Speaking to the Financial Times this week, EU Climate Commissioner Connie Hedegaard rebuffed those claims, noting that Brussels is willing to work with other governments in order to reach a global agreement regarding aviation emissions.

"We are working as hard as we can to make progress in [the International Civil Aviation Organization]," Hedegaard said.

However, Hedegaard noted that speculation of a possible trade war would not cause Brussels to abandon the scheme. "I understand very well that if you are a CEO of a European company, you get concerned," she said.

"We are taking things seriously, but we have to make clear that you can't threaten a trade war just because you don't like European legislation," she added.

Brussels has said that it would only consider changing its legislation should the 191-member International Civil Aviation Organization (ICAO) come up with a sufficiently ambitious global aviation emissions agreement.

The Montreal-based ICAO, which met last week, is currently examining four possible mechanisms in this area, and has directed a working group to continue studying the options and report back in June. However, disagreements at last week's meeting over the role of developing countries in helping curb aviation emissions could end up slowing down progress in the talks, sources told Reuters.

The UN civil aviation body has said that it plans to have a proposal of measures to address aviation emissions by the end of the year.

ICTSD reporting; "EU climate chief braced for backlash," FINANCIAL TIMES, 20 March 2012; "EU defies carbon trade war threats," FINANCIAL TIMES, 20 March 2012; "India to urge airlines to boycott EU carbon scheme," REUTERS, 20 March 2012; "ICAO sees difficult path to airline emissions plan," REUTERS, 15 March 2012.

US-China Solar Panel Conflict Reaches Next Stage

The US Commerce Department will begin imposing duties on solar panel imports from China, after finding that Chinese solar manufacturers receive unfair government support. Though the announced duties were far below the complainants' requests, the decision is still expected to increase trade tensions between Beijing and Washington, which have already been running high in recent weeks.

The 20 March announcement came in response to an October complaint from the Coalition for American Solar Manufacturing (CASM), a group of seven solar panel manufacturers led by SolarWorld Industries America that had together petitioned the US to investigate Chinese solar imports in October 2011 (See Bridges Weekly, 2 November 2011).

Tuesday's decision specifically named Chinese manufacturers Wuxi Suntech Power Co. Ltd. and Trina Solar Energy Co. Ltd., imposing a 2.9 percent countervailing – also known as anti-subsidy – duty on the former and an initial 4.73 percent countervailing duty on the latter.

All other Chinese exporters will encounter a preliminary 3.61 percent rate, according to the Commerce Department. The granted countervailing duties stand in stark contrast to earlier predictions, which had indicated that duties could reach up to 30 percent.

Moreover, this week's decision is only one step in a longer process. "This is just the beginning," said Ben Santarris, a SolarWorld spokesman. "They haven't even gone to China yet."

The duties announced yesterday do not immediately go into effect; rather, they must be confirmed both by Commerce and the International Trade Commission (ITC) by 19 July. The upcoming process will be characterised by complex market investigations.

If the final determinations are affirmative, the US may enforce the duties as of 26 July.

Chinese companies will then have to pay these duties going forward, as well as retroactively for 90 days in order to keep exporting to the US.

US solar industry remains divided

The case had split the US solar industry, pitting solar panel producers against firms that buy solar panels for use in solar energy projects.

For their part, the Coalition for American Solar Manufacturing welcomed the ruling, in spite of the relatively low duties announced by Commerce. "Today's announcement affirms what US manufacturers have long known: Chinese manufacturers have received WTO-illegal subsidies," said Steve Ostrenga, chief executive officer of Helios Solar Works, a CASM member.

Meanwhile, a rival coalition of over 100 firms argued that the duties, while small, could still raise the cost of solar energy projects and harm both the US and China in the process.

"Tariffs large or small will hurt American jobs and prolong our world's reliance on fossil fuels," [said](#) Jigar Shah, president of the Coalition for Affordable Solar Energy (CASE), which had formally opposed the CASM case.

However, Shah added that the result was overall "a relatively positive outcome."

"Fortunately, this decision will not significantly raise solar prices in the United States as SolarWorld has sought," he said.

The price of solar panels has dropped 40 percent between 2006 and 2011, a result partly attributed to inexpensive panel imports from China. The drop in market prices has, in turn, been blamed by some analysts for the high-profile collapse of three US-based solar companies, particularly Solyndra, a California-based solar panel manufacturer.

However, the low solar panel prices have also been credited for last year's record level of solar energy installations in the US.

The US imported US\$2.8 billion worth of solar cells and panels from China in 2011, up from US\$1.2 billion the year before, according to industry estimates.

Anti-dumping not yet decided

In their petition, the complaining US solar companies also alleged that Chinese companies are deliberately selling products below market prices to stymie US competition, a practice known as dumping. The US Department of Commerce is expected to issue a preliminary ruling on this element of the CASM petition on 17 May.

Depending on the result of the latter investigation, anti-dumping measures could be levied on Chinese solar products in addition to the anti-subsidy duties. These duties may be applied in parallel, provided that remedies are not "doubled" – in other words, that China is not punished twice for the same economic effects.

Last week, the US also passed controversial legislation affirming its ability to levy countervailing duties against non-market economies, including China (see Bridges Weekly, [7 March 2012](#)). This move responded to processes in the US and at the WTO that had been concerned over the effect of "double remedies."

Other renewable energy cases underway

The solar panel case is one of several instances of the US and China sparring over renewable energy support policies. Beijing is also running its own investigation into Washington's subsidies for renewable energy in the wind, solar, and hydro sectors (see Bridges Weekly, [30 November 2011](#)). The investigation is expected to conclude in May.

Meanwhile, the US Commerce Department is also conducting investigations regarding claims that wind tower imports from China and Vietnam are being unfairly subsidised, along with being dumped on the US market.

Preliminary decisions from Commerce regarding both the subsidy and dumping claims in the wind tower complaint are expected later this year. (See Bridges Weekly, [15 February 2012](#)).

ICTSD reporting; “US sets low duties on solar panels from China,” REUTERS, 20 March 2012; “A Measured Rebuttal to China Over Solar Panels,” THE NEW YORK TIMES, 20 March 2012; “US makes call for tariffs in response to SolarWorld claim,” SUSTAINABLE BUSINESS OREGON, 20 March 2012; “US Sets Duties as High as 4.73% on China Solar Equipment,” BLOOMBERG, 20 March 2012.

Ukraine Launches WTO Challenge Against Australia Cigarette Packaging Law

An Australian law intended to make the packaging of cigarettes less appealing to consumers is now facing a WTO challenge, with Ukraine formally lodging a complaint at the global trade body last week. ([DS434](#)) The move follows heated discussions between WTO members in recent months over the law’s conformity with multilateral trade rules.

The Australian [law](#) – also known as the Plain Packaging Act – requires that all cigarettes sold in Australia be packaged with only one colour and shape and that a significant portion of the packaging be used for health warnings. Though the bill was approved last December, tobacco companies have until December 2012 to make the necessary changes in their production.

The law has been defended by Australian officials as being necessary for public health reasons, with Australian Trade Minister Craig Emerson publicly claiming that “it’s not anti-trade; it’s anti-cancer.” According to government data, smoking kills 15,000 Australians annually, along with incurring

about A\$31 billion, or US\$33 billion, in health and workplace expenses each year.

In response to the WTO complaint, Canberra said it would participate in the consultations “in a constructive manner.”

“Australia is prepared to defend any challenge that might result from the consultations,” Emerson said, in a statement emailed to Bloomberg.

The WTO complaint is the latest in a series of legal challenges lodged against Canberra over the cigarette packing law. Major tobacco companies, including Philip Morris International, Japan Tobacco, British American Tobacco, and Imperial Tobacco, have filed suits arguing that the plain packaging legislation is unconstitutional; Australia’s high court is set to hear the cases in April.

Philip Morris is also challenging the law under the 1993 Bilateral Investment Treaty (BIT) between Australia and Hong Kong.

Trademark violations?

In its complaint, Ukraine claims that the law is inconsistent with the WTO’s Agreements on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Technical Barriers to Trade (TBT), and the General Agreement on Tariffs and Trade (GATT).

With regards to TRIPS, Kiev argues that the Australian measure violates the WTO’s rules on intellectual property by restricting the usage of trademarks, discriminating on the basis of nationality, and preventing the lawful exploitation of patent rights.

This anti-tobacco legislation – which Australia plans to extend to cigars and loose-leaf tobacco products – has already been under discussion at the WTO TRIPS Council since June, where it sparked debate among members regarding the balance between public health considerations and intellectual property rights (See Bridges Weekly, [15 June 2011](#)).

During the TRIPS discussions, a handful of developing country tobacco producers, led by the

Dominican Republic, have argued that the law would negatively impact their domestic industries.

Meanwhile, a number of developed countries – backed by Brazil and Uruguay – have countered by reaffirming that WTO members have the right to use TRIPS flexibilities to protect public health (See Bridges Weekly, [7 March 2012](#)).

Kiev: Law ‘more trade restrictive’ than necessary

Ukraine also argues that the Australian law breaches the WTO’s Technical Barriers to Trade (TBT) Agreement by being more trade restrictive than necessary to achieve Canberra’s stated public health objective, along with violating national treatment requirements set in that agreement.

In a submission to the WTO Committee on TBT last April, Australia had argued that its measures for the restriction of advertising and promotion of tobacco products and their packaging were consistent with its obligations under the World Health Organization (WHO) Framework Convention on Tobacco Control.

While compliance with a non-WTO agreement may not per se justify trade barriers, the TBT agreement permits trade restrictions where they are necessary to protect public health. Ukraine, however, argues that the measure is more trade restrictive than necessary to achieve the Convention’s objective.

Kiev’s consultation request comes only months after the US lost three cases at the panel stage under the TBT Agreement, which similarly addressed unnecessarily trade restrictive measures. These cases – regarding a ban for flavoured cigarettes, country of origin meat labelling requirements, and a dolphin-safe label for tuna products, respectively – are now at the appeals stage, with final rulings from the WTO’s highest court expected within the coming months.

Importantly, in two of the cases the panels found that a restriction of lawful consumer information could hamper trade in an unnecessarily restrictive and thus illegal manner. If upheld by the Appellate Body, these panel rulings are thought to be interpreted in the disadvantage of Australia. This

is particularly true if the plain packaging requirement is found to be too burdensome for producers in relation to the measure’s potential to reduce smoking.

Next steps

Under WTO rules, the two countries will now have 60 days to reach a mutually agreed solution; if consultations fail, Ukraine has the right to request an expert panel to hear the case and issue a formal ruling.

ICTSD reporting; “Australia Targeted in WTO Complaint Over Ban on Tobacco Logos,” BLOOMBERG, 13 March 2012; “Philip Morris challenges ‘unconstitutional’ plain packaging law in High Court,” THE AUSTRALIAN, 20 December 2011.

EU Trade Ministers Agree to Approve Deal with Colombia, Peru

EU trade ministers have [agreed](#) to approve a much-anticipated free trade pact with Colombia and Peru, which is expected to slash €500 million in duties alone. The 16 March decision is the next step toward eventually bringing the pact into force. Meanwhile, Ecuador – which had withdrawn from the trade talks in 2009 – is looking to re-launch discussions with the EU over a possible accord.

Friday’s draft decision approves both the signing and provisional application of the deal. The decision is set to be adopted at an upcoming meeting of ministers, once the text is finalised.

The conclusion of the agreement will also require ratification by European Parliament lawmakers; a vote is expected in September.

The agreement is expected to boost the economies of Colombia and Peru by one percent of their gross domestic product, or GDP. This makes the accord “important in the current economic situation,” Danish trade minister Pia Olsen Dyhr – who chaired Friday’s EU trade ministers’ meeting – said.

For his part, José Luis Silva, Peru's trade minister, noted that "in the last five years, Peru's exports to the EU grew by 100 percent, and in the 2010-2011 period they showed an increase of 40 percent."

Silva added that the agreement would provide European firms with an incentive to invest in Peru and would allow agricultural workers to be put on formal payrolls and eventually receive pension payments. "It is an opportunity for the poor people in the agricultural sector," he said. The EU is Peru's top export market in the area of foodstuffs.

The agreement had been initialled in March 2011, and then signed a month later (see Bridges Weekly, 30 March 2011 and 20 April 2011).

The deal will ultimately liberalise all trade in industrial and fisheries products among the participating economies, along with including provisions on trade in services, public procurement, and intellectual property rights. The pact also includes a commitment to implementing international conventions on labour rights, along with a clause focused on preserving a high level of environmental protection standards on all sides.

EU goods exports to the Andean Community – which includes Bolivia, Colombia, Ecuador, and Peru – in 2010 totalled €7.9 billion, while imports from the Andean Community in that same year were at €12.2 billion.

According to the European Council, the multi-party agreement with Colombia and Peru remains open for signature by Ecuador and Bolivia.

Ecuador looks to re-launch talks with EU

Along those lines, EU officials met on Monday with a delegation from Ecuador in order to discuss the option of Quito possibly re-starting trade talks with Brussels.

Negotiations toward a region-to-region free trade deal between the Andean Community and the EU were launched in 2007. However, the talks eventually turned into bilateral negotiations, due to differences among the four Andean countries on intellectual property issues, biodiversity

protection, and the EU's banana tariffs. (See Bridges Weekly, 3 March 2010).

Ecuador eventually withdrew from the trade talks in 2009, with Bolivia having already abandoned the negotiations in 2007 (see Bridges Weekly, 5 August 2009).

After Monday's meeting, European Trade Commission spokesperson John Clancy said that Brussels completely supports Ecuador's participation in the trade pact.

For his part, Ecuadorian President Rafael Correa, in an interview with news agency Efe in Madrid, confirmed that his country would indeed be looking to restart negotiations with Brussels. However, he insisted that his country does not want the same type of agreement that the 27-member EU bloc has with Colombia and Peru.

"[The re-launching of talks] depends on the interest of the parties involved," Correa said. "There have been inconsistencies on Ecuador's side in some cases, some contradictory ideas, but this has also been the case with the EU."

"Sometimes they tell us yes, there is the possibility of negotiating a trade deal, and other times no: that we have to sign the FTA that Colombia and Peru signed, or there won't be any accord," he added.

"We are seeking a trade deal with mutual benefits, not a free trade agreement," he said.

ICTSD reporting; "UPDATE 1 – EU ministers agree free trade pact with Peru, Colombia," REUTERS, 16 March 2012; "Correa: 'Queremos un TLC con la UE, pero no como el de Perú o Colombia,'" EFE, 18 March 2012; "España promete apoyo a Ecuador para acuerdo comercial con la UE," EFE, 20 March 2012; "UE confirma a Ecuador que apoya su adhesión al TLC con Colombia y Perú," EL UNIVERSO, 19 March 2012; "Acuerdan nueva ronda de diálogo Ecuador-Unión Europea," PRENSA LATINA, 19 March 2012.

IN BRIEF

Farm Bill: New Budget Plan Sparks Controversy

A new budget proposal from the House of Representatives is calling for US\$30 billion to be cut from US farm spending over ten years. The proposal, released on Tuesday, comes on the heels of an earlier budget proposal from US President Barack Obama that had called for a US\$32 billion trim in agricultural outlays.

In an [outline](#), House Budget Committee Chair Paul Ryan, a Republican from the US state of Arizona, argued that direct payments need to be trimmed since soaring commodity prices are “reducing the need for high levels of income support.” Crop insurance programmes should allow farmers to manage risk in the way “other businesses” do, cutting “open ended” support from the government, he added.

If the House of Representatives as a whole agrees to Ryan’s proposal, the Agriculture Committee will be bound by its terms.

However, House Agriculture Committee Chair Frank Lucas, also a Republican, cautioned against “reading too much” into proposals from President Obama and Representative Ryan, [noting](#) that these were “only suggestions.”

Proposal ‘irresponsible,’ some say

Meanwhile, the ranking Democrat in Lucas’ committee, Colin Peterson, took a harsher tone, arguing that the cut proposed on Tuesday “all but guarantees” that there will be no farm bill this year. On the Senate side, Agriculture Committee Chair Debbie Stabenow – also a Democrat – [called](#) the proposal “irresponsible,” adding that it did not “strengthen production agriculture” and would “hurt families.”

The Senate Agriculture Committee had earlier set US\$23 billion as the proposed reduction in farm subsidies over ten years, which still remains the target figure. The figure emerged from last fall’s discussions surrounding the “Super Committee,” a

bipartisan effort to reign in federal spending that ultimately failed.

The US budget is a compromise between the executive and legislative branches, with interest groups often vying for pieces of the pie. Budget committees in the two chambers of Congress must first agree on an overall level of spending, recommending cuts in specific areas – such as agriculture – to the appropriate committees.

The current farm bill is set to expire at the end of September and efforts are underway to either renew or reform the package of laws that govern US agriculture.

Current high prices have focused Congress’ attention on crop insurance and direct payments for cuts, Carl Zulauf, professor of agricultural economics at Ohio State University, told Bridges. Other types of farm spending, such as counter cyclical payments, are often triggered by low prices and may not draw the attention of reformers when commodity prices set record highs.

Having followed US agricultural policy since the 1980s, Zulauf added, that “there has been talk of not getting it done but every farm bill has gotten completed,” if late.

ICTSD reporting; “Ryan Budget Plan ‘Guarantees’ No Farm Bill, Peterson Says,” BLOOMBERG, 20 March 2012; “Farm Bill: Budget Committee Chairman Paul Ryan Releases House GOP Budget Outline,” FARMPOLICY.COM, 21 March 2012; “UPDATE 1-House ag plan would slash US crop, insurance payouts,” REUTERS, 20 March 2012.

Brussels Proposal Targets Farms, Forests for Emission Reduction

With a new draft law published last week, the EU has called on all member states to track and record data measuring carbon emissions from agriculture and forestry. Though no timetable has been set, some observers say it could mark the first step towards including agriculture and forestry under the EU Emissions Trading System (ETS).

“What we propose today is harmonised rules to account for forests and agriculture emissions,” said Connie Hedegaard, the EU’s Commissioner for Climate Action, on 12 March. “This is the first step to incorporate these sectors into the EU’s reduction efforts,”

Historically, the ETS has been limited to energy-intensive industries such as power generation and cement mixing. In recent years, however, the EU has been steadily expanding the coverage of the ETS. Brussels has already moved to include the aviation industry into the scheme, and plans to include shipping emissions are also being discussed (see Bridges Weekly, [7 March 2012](#)).

Forests and lands devoted to agriculture cover over 75 percent of Europe, making any decision to include “land use, land use change, and forestry” (LULUCF) industries under the ETS a significant undertaking.

LULUCF not only covers the agricultural land and forests themselves, but also any human activities that take place on the land. Everything from ploughing a field to the draining of peat land would require monitoring under the new draft law.

One of the greatest challenges to the implementation of the new measure is the uncertainty surrounding the carbon accounting of LULUCF. Some experts say the accounting methods for these industries are significantly under-developed when compared to other industries that are currently monitored.

For example, LULUCF was not included under the UN Framework Convention on Climate Change’s (UNFCCC) Kyoto Protocol because the ability to monitor related emissions was said to be beyond existing scientific capability.

If successfully implemented, supporters say the initiative could have a drastic impact on emissions. Brussels says that increasing the amount of trapped carbon by just 0.1 percentage point through improved forest or grassland management would be the equivalent of eliminating the emissions from 100 million cars every year.

The proposal will now be brought before the European Parliament and the Council. If adopted, the proposal would compel each EU member state to prepare and adopt an action plan for reducing emissions from forests and soils.

ICTSD reporting; “EU targets farm, forest land in extending CO2 curbs,” REUTERS, 12 March 2012; “EU brings farms and forests into low-carbon plans,” BBC, 13 March 2012; “EU clears path for farming and forestry emission reduction targets,” BUSINESS GREEN, 13 March 2012.

EVENTS & RESOURCES

Vacancy

The Bretton Woods Project – a London-based NGO that monitors and analyses policy at the World Bank and International Monetary Fund (IMF) – is seeking candidates to fill the position of Head of Bretton Woods project work on IMF and finance. The purpose of this role will be to manage the project’s work in this area, with current work focusing heavily on the IMF’s policies towards capital account regulation and the IMF role in the European crisis. Interested candidates should have at least a postgraduate degree or equivalent experience, with knowledge of development and/or international finance issues. The closing date for this position is 24 April; further details and application instructions can be found on the organisation’s [website](#).

Events

Coming soon

22-23 March, Tunis, Tunisia. 2012 AFRICAN DEVELOPMENT BANK ANNUAL PARTNERSHIPS FORUM: PARTNERING FOR A GREEN AND INCLUSIVE AFRICA. This event will be held under the theme “Transforming Partnerships towards a Green and Inclusive Africa” and will gather together representatives from bilateral and multilateral donors, business sector, private foundations,

knowledge institutions, and civil society organisations. The event aims to provide an opportunity for the participants to share their perspectives and experiences regarding how to promote sustainable and broad-based development. The discussion will also explore partnership opportunities, new business models related to social business, and a green growth that will enable deeper transformation of the African economy. For more information, please visit the event's [website](#).

22-24 March, Bloomington, US. CONFERENCE ON CHINA AND GLOBAL GOVERNANCE. Organised by the Indiana University Research Centre for Chinese Politics & Business (RCCPB), this meeting will focus on issues of trade, investment, intellectual property rights, public health and labour, foreign aid, the environment, and sustainable development. The event is being co-sponsored by the Henry Luce Foundation and the International Centre for Trade and Sustainable Development (ICTSD), among others. Elinor Ostrom, winner of the 2009 Nobel Prize in Economics, will be the event's keynote speaker. For more information about this conference, please visit the event's [website](#).

24-25 March, New Haven, US. US/CANADA CITIZENS' SUMMIT FOR SUSTAINABLE DEVELOPMENT. Subtitled "Rio and Beyond: The Future We Need," this summit is being organised by students from the Yale School of Forestry and Environmental Studies, Yale Law School, Yale School of Management, and Yale College. The purpose of the summit is to generate new knowledge, policy, and action for sustainability in the US and Canada, and to provide a platform for US and Canadian civil society to collaborate in the lead-up to the UN Conference on Sustainable Development (UNCSD or Rio+20). The summit will bring together a diverse group of 180 experts, emerging leaders, advocates, entrepreneurs and decision-makers for two days of discussions, brainstorming, and planning. The summit will also provide for virtual participation in order to encourage broad participation in cities and towns across the US and Canada and promote a cross-regional network committed to sustainability. For more details, please click [here](#).

25 March, New York, US. IMPROVING THE INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT: A DEEP DIVE INTO GOVERNANCES ISSUES AND THE RIO+20 ZERO DRAFT. This one-day workshop is being organised by the World Resources Institute (WRI), the UN Environment Programme (UNEP), the Access Initiative, the UN Institute for Training and Research (UNITAR), and the World Future Council, in collaboration with the UN Department of Economic and Social Affairs (UNDESA), in preparation for the UN Conference on Sustainable Development (UNCSD, or Rio+20). The meeting will seek to define outcomes on the second theme of the conference, strengthening the institutional framework for sustainable development and improving good governance. Other topics that will be discussed include ombudspersons for future generations and international environmental governance frameworks. For more details, please visit the event's [website](#).

28 March, London, UK. BELIEF, ATTITUDE AND BEHAVIOUR ON CLIMATE CHANGE AND ENERGY SECURITY: INTERIM FINDINGS. Held at the Chatham House in London, this workshop will present and discuss the interim findings of the first phase of the project "Belief, Attitude and Behaviour on Climate Change and Energy Security." This project analyses public values and attitudes in relation to debates over climate change and energy security in the UK, the role of the media in formation of beliefs, and public trust in different bodies. A first series of focus groups took place across the country in the last quarter of 2011 and patterns of beliefs and behaviours can already be drawn from these. The methodology used and the preliminary findings will be discussed, along with wider issues of the media and climate change and energy security. Please note that this event is invitation only. More information is available [here](#).

WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). 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.

22 March: Symposium on International Mobile Roaming

23 March: Council for Trade in Services

23 March: Dispute Settlement Body

23 March: Council for Trade-Related Aspects of Intellectual Property Rights – Special Session

27-28 March: Working Group on Trade, Debt and Finance

27+29 March: Trade Policy Review Body – United Arab Emirates

27-29 March: Committee on Sanitary and Phytosanitary Measures

27 March: Working Party on the Accession of Ethiopia

Other Upcoming Events

2-6 April, Paris, France. ENERGY TRAINING WEEK 2012. This interactive training event will be delivered by a large team of International Energy Agency (IEA) experts who will take participants through a mixture of focused lectures, practical exercises, and field trips. The training week is designed for government officials and private sector experts from non-IEA countries and is expected to attract participants and representatives from up to 50 countries. Training content will focus on the latest trends and developments in a range of energy sectors. This training week aims to provide an opportunity for focusing on and discussing energy security, markets, sustainability, technology, and analysis, or to experience a mixture of the important topics of the energy world. For more information about this event, please click [here](#).

16-18 April, Puerto Vallarta, Mexico. WORLD ECONOMIC FORUM ON LATIN AMERICA

2012. Sponsored by the Government of Mexico and the Forum's key strategic partners, the meeting will convene key decision-makers from government, industry, civil society, and academia. Under the theme "Regional Transformation in a New Global Context," leaders will work on shaping a strategic vision for the region's growth, gaining understanding of its global potential, and aligning stakeholders around that vision to inspire its realisation. This event will address Latin America's role and contribution to the governance of the global economy, the creation of innovative models for a sustainable future, and the improvement of capabilities for a regional transformation. For more information, please visit the event's website [here](#).

21-26 April, Doha, Qatar. THIRTEENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD XIII) AND CIVIL SOCIETY FORUM. This Conference will convene under the theme "Development-centred globalization: Towards inclusive and sustainable growth and development." The Conference's aim is to enhance the understanding of specific trade and development issues, especially after the fallout of the economic crisis. In parallel with the Conference, UNCTAD has also partnered with the United Nations Non-Government Liaison Service and the Qatari National Human Rights Committee to organise a Civil Society Forum, where representatives from the private sector and civil society will explore different ways to strengthen partnerships with UNCTAD to boost the effectiveness of trade and development efforts. The Civil Society Forum will begin its work on 17 April. For more information on the UNCTAD XIII Conference and the Civil Society Forum, please visit the UNCTAD XIII [website](#).

29-31 May, Tucson, US. ADAPTATION FUTURES: THE 2012 INTERNATIONAL CONFERENCE ON CLIMATE ADAPTATION. This conference, co-hosted by the UN Environment Programme's (UNEP) Programme of Research on Climate Change Vulnerability, Impacts and Adaptation (PROVIA) and the University of Arizona, will focus on adaptation to climate variability and change. The event aims to bring together researchers, policymakers, and practitioners from developed

and developing countries to share insights into the challenges and opportunities that adaptation presents. It will also serve as a showcase of cutting-edge research from around the world, focusing on themes of equity and risk, learning, capacity building, methodology, adaptation finance and investment, and ecosystem-based adaptation approaches. For more details, please visit the event's [website](#).

24-26 September, Geneva, Switzerland. WORLD TRADE ORGANIZATION PUBLIC FORUM 2012. Convening under the theme “Is multilateralism in crisis?”, the Public Forum is the WTO’s largest annual outreach event. It aims to provide a platform for participants to discuss the latest developments in world trade and to propose ways of enhancing the multilateral trading system. The event regularly attracts over 1,500 representatives from civil society, academia, business, the media, governments, parliamentarians, and intergovernmental organisations. For more details about this event, please visit the WTO’s [website](#).

Resources

OECD STATISTICS ON INTERNATIONAL TRADE IN SERVICES, VOLUME 2011, ISSUE 1. By the Organisation for Economic Co-operation and Development (February 2012). The new database contains information from the publication OECD Statistics on International Trade in Services, Volume 2011 Issue 1, Detailed Tables by Service Category. It includes statistical data for all OECD countries, the EU, the euro area and the BRICS countries, as well as links to definitions and methodological notes. The database provides for detailed service categories for each individual OECD country and the EU. Also included are extra-EU trade data for the European Union countries and extra-euro area trade data for the euro area as a whole. Most of the data covers the period 1985-2009, with extended data also provided for 1970-2009 where available. For more information, please click [here](#).

AGRICULTURAL INNOVATION SYSTEMS: AN INVESTMENT SOURCEBOOK. Published

by the World Bank (February 2012). Ensuring that agriculture can meet rising global demand and respond to challenges and opportunities requires good policy, sustained investments, and innovation. This book contributes to the identification, design, and implementation of the investments, approaches, and complementary interventions most likely to strengthen agricultural innovation systems (AIS) and to promote innovation and equitable growth. The publication provides a menu of tools and operational guidance, as well as best practices, to illustrate approaches to designing, investing in, and improving these systems. Drawing on approaches that have been tested at different scales in different settings, this resource emphasises the lessons learned, benefits and impacts, implementation issues, and prospects for replicating or expanding successful practices. For more information regarding this resource, please click [here](#).

TALKING REDD+: BEYOND FORESTY – JOINING UP AND MOVING FORWARD. Published by the International Institute for Environment and Development (December 2011). This resource gives an overview of a South-South learning event held by the International Institute for Environment and Development in November 2011 entitled ‘REDD+, Poverty Reduction and Sustainable Development: Are There Cost-Effective and Pro-Poor Options?’ This event was a platform to share information about the practices that already work, to discuss how REDD+ (Reducing Emissions from Deforestation and Forest Degradation) can build on and scale up cost-effective options that deal with the fundamental problem of climate change. This briefing gives an overview of the key REDD+ issues, in particular: integrating mitigation and adaptation actions; addressing tenure; learning from participatory forest management and payment for ecosystems services; taking the right approach to gender; developing safeguards to minimise negative impacts of REDD+; and strengthening South-South collaboration to reduce the transaction costs of REDD+. The publication can be viewed [here](#).