

BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 17, ISSUE 38, 14 NOVEMBER 2013

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WORLD TRADE ORGANIZATION

Azevêdo Extends WTO Negotiating Deadline in Bid to Secure Bali Deal

Negotiators in Geneva have just a few days left to finish putting together a "Bali package" ahead of next month's WTO ministerial conference, after Director-General Roberto Azevêdo announced on Tuesday that he would be extending their original 12 November deadline.

The trade chief was originally expected to announce at Tuesday's meeting of the Trade Negotiations Committee (TNC) whether a deal in Bali would actually be achievable. While members are far closer to a deal than they were a few months ago, Azevêdo confirmed this week, they are still toeing a dangerously fine line between success and failure, with the outcome of the past two months of negotiating too close to call.

"It was my sincere hope that by today I would be in a position to tell you that, although we have some difficulties ahead, we are in pretty good shape," he said. "But I do not think I can tell you that."

Instead, the Director-General announced that he would be giving negotiators an additional few days to sort out their differences, which traverse all three areas of the proposed Bali package – trade facilitation, agriculture, and development. The upcoming week, he said, will be a "last-ditch" effort to rescue the talks before the organisation's ministerial conference kicks off on 3 December.

"If we insist on today's hard deadline then, at this point, we don't have a package," Azevêdo said in announcing the extension. "However, I do not believe that that is what members want."

Sources say that meetings over the next few days are likely to take place in a range of configurations, from the recent "Room W" meetings of ambassadors led by the Director-General to informal TNC gatherings and small group consultations.

A meeting of the WTO's General Council, which is the organisation's highest decision-making body outside of the ministerial conference, has now been set for 21 November, at which point it should be clear whether or not Geneva-based officials will have a package to transmit to their ministers. A formal TNC is likely to be held before then, in line with WTO procedures.



International Centre for Trade
and Sustainable Development

Race to the finish

The Bali ministerial comes as the organisation faces growing questions over its role, in a changing trade climate where preferential agreements – such as the Trans-Pacific Partnership or the Trans-Atlantic Trade and Investment Partnership – have been increasingly capturing the limelight. Should a deal be confirmed for Bali, it would mark the first major advance in the Doha Round negotiations in several years.

The Bali package, as proposed, includes a small subset of the Doha agenda. Its key feature would be an agreement on trade facilitation, a topic that was formally added to the Doha negotiating mandate in 2004. The proposed Bali deal would also include select elements relating to agriculture, along with a few issues of relevance to the organisation's developing and least developed country members.

As the December meeting has drawn closer, however, difficulties have emerged, leading the so-called "Bali package" to be slowly whittled down over the past few months as negotiators try to put together a "realistic" – though potentially less ambitious – outcome. Proposals relating to special and differential treatment (S&DT), such as the "Cancun-28" and six Agreement-specific S&DT proposals, were eventually dropped from the proposed deal. Meanwhile, other topics that initially looked easily resolved have met with unexpected hurdles, while long-standing disagreements in other areas have proven difficult to overcome.

WTO members and the Director-General alike have stressed that Bali cannot be a "negotiating ministerial," and that all outstanding issues must be resolved in Geneva, leaving only political topics for the December conference.

"Let me be clear: we cannot work right up until the wire," the trade chief said on Tuesday. "The duration of the flight [to Bali] would be enough time for positions to become entrenched. It would be the surest way to kill this agreement."

Customs cooperation "closed," though broader TF difficulties remain

Negotiators have been working late into the evening, and through weekends, in an effort to reduce the myriad brackets remaining in the trade facilitation (TF) draft text, which has been billed as the pinnacle of the Bali package. Some of those efforts, sources say, have lately paid dividends, with members able to close the controversial issue of customs cooperation early this week.

Customs cooperation involves how to exchange information between importing and exporting authorities of member countries, in order to address fraud. The topic has been difficult because of concerns such as how to handle the increased volume of requests for such data. Given its sensitive nature, it has lately been treated as its own "pillar," even though it falls under the broader "Section I" heading of the trade facilitation draft text.

"It is not perfect, but the core of an agreement is there," Azevêdo said on Monday in announcing the result. "This achievement is all the more notable for the fact that it was achieved so quickly."

Various other hurdles remain in Section I, he added, though Section II – which deals with implementation flexibilities for developing countries – remains the "hardest nut to crack."

Developing countries have long said that they need definite assurances that they will receive the support needed to implement some of the new commitments being negotiated in Section I. Otherwise, they say, putting these into practice could prove both difficult and costly.

Developed countries, meanwhile, have stressed that Section I commitments must be binding in order for the deal to provide the hoped-for increases in trade flows.

A proposal by the ACP Group – the coalition representing African, Caribbean, and Pacific countries – on technical assistance is one of the topics that has been under discussion as a possible solution to the Section II standoff. Sources say that the proposal involves establishing an expert panel that would look at situations where technical assistance has been provided, in order to evaluate claims that more is needed in order for a country to meet its TF commitments.

Agriculture

The agriculture dimension of the Bali package involves three proposals: two from the G-20 coalition of developing countries, and one from a separate developing country group known as the G-33.

With regards to the G-33 proposal, which deals with allowing food purchases at administered prices in developing countries as part of public stockholding programmes, members have spent the last several weeks fine-tuning the details of a so-called “peace clause.” This legal mechanism would commit members to not bring legal disputes in this area against countries that wish to use the above-mentioned flexibility.

Though there has been a level of “constructive engagement” in recent discussions, Azevêdo said, questions remain over how long this “interim solution” will be in place and what safeguards other countries would be able to use in order to protect their own producers from trade distortions. A term of four years has been discussed by members, while others insist that this is too long, sources close to the talks told Bridges.

However, the G-20 proposal on how members manage their tariff rate quotas (TRQs) – which are used by some countries to charge higher tariffs on goods being imported after an initial quota has been filled – is “a different story,” Azevêdo reported.

The TRQ proposal had initially been welcomed as one of the more “calibrated” agriculture proposals on the table. (See Bridges Weekly, [3 October 2012](#)) Since then, a stand-off between the US and China has emerged on the special and differential treatment (S&DT) provisions for developing countries outlined in this proposal, specifically on how reforms will be enforced.

“China fully respects the sensitivity of other members on their red lines,” China’s deputy international trade representative Yu Jianhu said on Tuesday, according to a copy of his statement seen by Bridges. “We hope all others do the same to China. The text of the S&D provision on TRQ should not be reopened for negotiation.”

Members remain divided on the ambition sought by the G-20 in a proposal on export competition. The group has called for an elimination of export subsidies as envisioned in earlier Doha Round documents, while those providing the payments insist that these need to be dealt with as part of a broader trade deal.

Development issues

Development-related issues involving the organisation’s poorest members are “progressing well,” Azevêdo said on Tuesday. The Director-General had reported last month that convergence had emerged on two draft decisions regarding least developed countries (LDCs), specifically on how to “operationalise” the services waiver agreed at the previous ministerial conference in 2011, and on rules-of-origin.

Despite these advances, discussions on the C-4 cotton proposal are reportedly still ongoing, sources say, while the impasse on duty-free quota-free market access remains. (See Bridges Weekly, [31 October 2013](#))

Negotiations have also continued on the Monitoring Mechanism, Azevêdo said, with only one or two paragraphs still left outstanding. The Mechanism, if agreed, would review the functioning of provisions in WTO rules for S&DT treatment in favour of developing countries and potentially suggest improvements.

Some delegates have cautioned privately, however, that whether the Mechanism will ultimately make it into the Bali package is still unclear, with some raising the possibility of it being treated instead post-ministerial, along with some of the other S&DT issues that did not make it into the package.

ICTSD reporting.

CLIMATE CHANGE

Financing Key to Unlocking Progress at COP19

The Nineteenth Conference of the Parties (COP) of the UN Framework Convention on Climate Change (UNFCCC) kicked off smoothly on Monday, despite contrary expectations by some observers. But while delegates adopted the COP agenda without significant difficulties, the familiar sense of urgency that typically accompanies the UNFCCC's annual meeting was conspicuously absent this year.

In 2011, countries meeting at COP 17 in Durban, South Africa negotiated for two additional days to plot a course for multilateral climate change cooperation post-Kyoto. Despite finding themselves near the brink of collapse in the early hours of Sunday, 11 December, negotiators managed to find enough common ground to strike a deal on the path forward. The sense of urgency in Durban pushed all major emitters – including the US, India, and China – to work toward clinching a new binding global agreement by COP 21 in 2015 that would be implemented in 2020. It was a deal to strike a deal, but it was a deal nonetheless.

Given the effort required to bring negotiations to a fragile conclusion in Durban, pressure will be at an all-time high when they meet at COP 21 in Paris. Naturally, the pit stops along the road to Paris cannot be wasted if countries hope to conclude talks on schedule. However, in true UNFCCC negotiating fashion, early progress has been slow. In a culture where the first week of COP negotiations is often eaten up by procedural issues, such as agreeing on an agenda, the glacial pace of early discussions is not surprising. But with such an ambitious goal set for COP 21, protracted wrangling over minor issues – as was seen last year at COP 18 in Doha – could easily leave too much work for negotiators to tackle.

Taking note of the need for concrete and meaningful progress, UN Secretary-General Ban Ki-moon is attempting to expedite the process by inviting world leaders to a special Climate Summit in September 2014. Ban challenged leaders to bring bold pledges along with them to the Summit, in hopes that negotiations will receive the kick they need to head into COP 20 and the final stretch toward Paris.

ADP takes over

In Warsaw, the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP or Durban Platform) will become the UNFCCC's primary negotiating track. This will be the first COP to occur since the closure of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) and Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), which were the focal points of previous COPs. (See Bridges Trade BioRes, [12 December 2012](#))

Work under the two permanent subsidiary bodies – the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) – will aim to tackle a range of issues throughout the conference. Issues such as improvements of the rules of the Clean Development Mechanism (CDM), modalities for the New Market-based Mechanism (NMM), as well appropriate approaches to Measurement, Reporting and Verification (MRVs) could see progress at COP 19.

On Monday, delegates managed to adopt the SBI agenda, despite a protracted squabble between some members earlier this year. During mid-year climate talks in Bonn, Germany,

this past June, a proposal by Russia, Belarus, and Ukraine sparked enough disagreement to end the talks before the SBI was able to launch any substantive work. (See Bridges Trade BioRes, [20 June 2013](#)) The three countries had expressed frustration over the closing of COP 18 in Doha despite their insistence that more clarity was needed on how unused emissions credits from the first phase of the Kyoto Protocol would be carried forward.

Financing: Developing countries urge less talk, more action

Financing has been one of the most difficult issues to resolve in international climate negotiations. At the troubled 2009 climate meet in Copenhagen, developed countries agreed to provide US\$10 billion per year in "fast start" financing for the period of 2010-2012 to help developing countries begin adapting to a changing climate. They also agreed to a separate Green Climate Fund (GCF), which would provide US\$100 billion by 2020 to help developing countries reduce emissions and adapt to the warming world.

But turning these financing commitments into action has not been easy. According to the Green Climate Fund Trust, ten contributors have deposited a mere US\$7.55 million into the Fund as of 30 June 2013. Developing countries have been clear about the need for developed countries to come through on financing. While there are a wide range of issues at play in the UNFCCC negotiations, the bottom line is that key developed countries like the US will not agree to a 2020 deal unless all countries – including India and China – have binding commitments, while developing countries will not sign on to a deal unless funding is made available to them to allow them to make said emissions cuts.

With many developed countries facing austerity measures at home over the past several years, GCF funding has not been a priority for governments. This has led some to consider alternate means of generating funds, such as through private sector initiatives. Greg Barker, the UK's minister of state for energy and climate change, recently suggested that public-private partnerships are crucial to moving forward.

"I believe we need a new business partnership to tackle climate change, that does so with its eyes wide open, mindful of the costs and careful to catch the opportunities," Barker said. "We can only decarbonise the economy if business comes with us, as an active participant, and at least cost for consumers."

Developing countries, however, have called such proposals a distraction to the real issue at hand, which is providing funds that have already been committed. Indian environment minister Jayanthi Natarajan says alternative funding sources cannot be the core vehicle for delivering climate financing.

"The most important milestone [for Warsaw] would be climate finance and capitalisation of the Green Climate Fund (GCF), which has not happened at all," Natarajan said in a statement. "Developed countries that made a commitment earlier have now started talking of alternative sources of funding – whereas in our view these are commitments of the parties to the COP. While others and alternate sources need not be excluded, I think the fundamental commitment is the provision of finance."

During the COP plenary opening statements, Fiji, for the G-77/China group, echoed these comments, emphasising that finance would form the basis of any ambitious action to tackle climate change. Switzerland, for the Environmental Integrity Group (EIG), as well as Nicaragua, for the Like-Minded Developing Countries (LMDC) group, joined the chorus advocating for rapid capitalisation of the GCF.

With financing already causing significant difficulties in UNFCCC talks, some observers were surprised to see mention of the establishment of a possible international mechanism to finance "loss and damage" in last year's Doha package. The "institutional arrangements, such as an international mechanism" would aim to address loss or damage resulting from

climate change – including “extreme weather events” and “slow onset events” – in countries that are particularly vulnerable to the adverse effects of climate change.

In a recent interview with the Thomson Reuters Foundation, LDC lead negotiator Quamrul Chowdhury said the creation of a mechanism is of “paramount importance” at COP 19. These sentiments were reiterated on Monday by a number of delegations. Panama, for the Central American Integration System group (SICA), opened by identifying loss and damage as “a fundamental requisite” for success in Warsaw. At the SBI plenary on Monday, chair Tomasz Chruszczow of Poland encouraged countries to engage informally and bilaterally in order to make progress and talks will continue throughout the week.

Developing countries look for progress on technology transfer

Allowing developing countries to participate effectively in reducing emissions will not only require funding, but also access to clean technologies. Technology transfer and intellectual property rights (IPRs) have been among the more contentious issues in UNFCCC negotiations and the two issues are expected to be discussed over the coming days.

In their key messages to the talks, African Ministers of Environment stressed “the urgent need to address the issue of technology transfer, including the identification and removal of all barriers preventing access to climate-related technologies.” In addition, they called for an “appropriate treatment of intellectual property rights, including the removal of patents on climate-related technologies for non-Annex I Parties.” Such demands have been met in the past by strong opposition from industrialised countries which consider IPRs an essential incentive for climate-related innovation.

Warsaw is also expected to witness further steps toward the operationalisation of the UNFCCC Technology Mechanism, in particular the Climate Technology Centre and Network, the operational arm of the Mechanism. In their statement ahead of the COP, BASIC Ministers (representing Brazil, South Africa, India, and China) called “for the full operationalisation of and close coordination between institutions established in the Bali process, including the Green Climate Fund, the Standing Committee on Finance, the Technology Executive Committee, the Climate Technology Center [sic] & Network, and the Adaptation Committee.”

Response Measures Forum to have a future?

As in previous UNFCCC meetings, ICTSD (the publisher of Bridges) will be closely tracking the issue of the unintended consequences of response measures – measures countries take to mitigate climate change.

Discussion on response measures covers a wide range of issues – some trade-related, some not – that fall under several possible areas of negotiation at the UNFCCC. Thus, the Convention decided at COP 17 in Durban to establish a forum where these issues could be discussed among parties outside the main negotiating track. The Forum on the Impact of the Implementation of Response Measures held its first session in May 2012 at UNFCCC headquarters in Bonn where it agreed on a work programme for the next two years.

The Warsaw COP will review the work of the Forum to date and will consider whether it has fulfilled its mandate and should be closed down, or if its lifespan should instead be extended. Sources close to the talks say the Forum has addressed a range of issues that would have otherwise side-tracked SBSTA and SBI discussions and, as such, it provides a useful function for expediting the overall negotiating process. Thus, while most parties would like to extend the mandate of the Forum, it is unclear what form such an extension would take if granted.

Outside the negotiations, EU trading partners are still grappling with one of the most prominent trade issues related to a mitigation activity: the inclusion of aviation under the

EU's Emissions Trading System (ETS). The European Commission has proposed modifying the scheme to include only the portions of flights occurring in EU airspace, after the UN civil aviation body agreed last month to develop an international mechanism to curtail aviation emissions. However, since the proposed change will still affect foreign airlines, many climate observers expect past tensions between the EU and its partners to resurface.

Workshop to address role of agriculture

While threats to agricultural production from climate change are widely discussed in climate circles, the issue has not been a formal part of UNFCCC negotiations. Discussions at this year's Bonn intersessional meeting, however, resulted in the scheduling of a workshop on the technical and scientific aspects of how climate change could affect adaptation in agriculture. The event took place on Tuesday morning, with discussions tabled under the UNFCCC framework as part of the SBSTA, but not part of the climate negotiations. Several developing countries underlined the vulnerability of their agriculture sectors in the face of climate change, while Australia noted that agricultural economies faced common challenges, despite different national circumstances.

Developed and developing countries had previously had difficulty agreeing on whether and how to launch a work programme on climate change and agriculture, with differences of views over the relative importance of climate change adaptation and mitigation at the heart of the controversy. Governments appear to have found a way around the impasse by agreeing to discuss how countries can best adapt to new challenges, while also looking at "possible adaptation co-benefits." Sources say such an approach would open a venue to discuss a range of agriculture and climate change issues, such as how improved land management techniques could boost farm productivity while also contributing to mitigation efforts by helping to sequester carbon.

Success in Warsaw?

There are a range of issues up for negotiation in Warsaw and measuring the success of the meeting will not be simple. Meaningful success would see progress on financing, increased ambition, as well as clarification of the structure, sequence, and content of the 2015 agreement. Underpinning all of these issues is the question of whether parties will be able to move beyond the entrenched North/South divide. While this has been notoriously difficult in previous talks, there are signs of movement.

The Cartagena Dialogue for Progressive Action (Cartagena Dialogue), an alliance of 32 developed and developing countries in international climate talks, is one example of notable progress on bridging this gap. Member countries say they are committed to pursuing low carbon economic and development pathways and wish to do so with a legally binding international agreement applicable to all in place. Other positive signs of progress include the recent agreement by G-20 countries in St. Petersburg, Russia to phase out the use of hydrofluorocarbons (HFCs).

While few expect Warsaw to deliver a great leap forward in climate talks, it will be watched closely as a barometer for future negotiations. As Connie Hedegaard, the EU's Commissioner for Climate Action, said in a recent statement, Warsaw is not a destination, but rather an important stop for setting the stage for Paris in 2015.

"In Warsaw, we must agree to prepare strong pledges for the 2015 deal and to step up emission cuts over the rest of this decade," Hedegaard said. "All countries must be ready to present bold pledges before the Summit of World Leaders on climate change."

ICTSD reporting; "Warsaw Highlights," Vol. 12 No. 584, EARTH NEGOTIATIONS BULLETIN, 12 November 2013; "Warsaw Highlights," Vol. 12 No. 585, EARTH NEGOTIATIONS BULLETIN, 13 November 2013.

CLIMATE CHANGE

Process to Repeal Australian Carbon Tax Begins

The process to repeal Australia's carbon tax formally began this week, when the country's new Parliament began its session. Prime Minister Tony Abbott, who was elected in a landslide election in September, has called the repeal of the controversial measure one of his top policy priorities, making it the first bill to be introduced in this legislative session.

"This is an absolutely vital piece of legislation," Abbott [told](#) reporters in Canberra earlier this week. "It is at the heart of the government's mandate."

The carbon tax was passed two years ago during the government of then-Prime Minister Julia Gillard as part of the Clean Energy Act. Under the scheme, which targets Australia's largest emitters, carbon prices were initially fixed at A\$23 (€16.43) per metric tonne during their first year, rising annually at a rate of 2.5 percent. Should the tax remain in place, it is scheduled to switch to a floating price emissions trading system (ETS) in 2015.

Australia is one of the world's largest per capita emitters, with most of the country's electricity needs being met by coal – also a major export. The tax, proponents say, would help meet the dual goals of becoming more reliant on gas and renewable energy, while funding investment into cleaner energy sources.

Opponents say that the measure has placed a financial burden on both Australian businesses and consumers, with some figures being cited by Abbott's coalition placing the increase in household energy bills at A\$550 a year.

Abbott has pledged to introduce instead a "Direct Action Plan" to take the tax's place. The plan would, among other things, focus mainly on soil carbon, and will involve the establishment of an emissions reduction fund. Critics have warned that the funding being allocated for the Abbott scheme may not be enough to meet the goal of cutting emissions by five percent by 2020. (See Bridges Weekly, [12 September 2013](#))

Pundits expect the carbon tax repeal to pass handily in the lower house, where Abbott's Coalition holds a clear majority. The Senate – which has a tighter makeup – is expected to reject the bill.

Labor leader Bill Shorten has pledged that his party will only back the repeal of the carbon tax should the legislation be amended to allow an emissions trading scheme – which would involve a floating price set by the market, rather than the fixed one seen in the current tax – to take its place.

Abbott, for his part, has said that neither a fixed or floating tax would do, citing the case of the EU's own ETS as a cautionary tale.

"The thing about a floating tax is that what sometimes floats down can float up very fast indeed," he said. "I know the European carbon price is pretty low at the moment but it has been as I recall at up to A\$50 a tonne, albeit for a brief period, and certainly the Europeans are talking about ways of getting the European carbon price up because, amongst other things, European governments are desperate to raise revenue."

Should the Senate indeed reject the repeal, the legislation could be re-introduced next July, when the new Senate takes office. Abbott has also warned that a Senate block could trigger a "double dissolution election" – a rare move that would involve opening both houses to elections.

EU member states back temporary carbon market fix

Efforts to temporarily prop up the struggling EU carbon market that Abbott referred to overcame a major hurdle last Friday, after a majority of the bloc's 28 member states backed a plan to temporarily delay the auctioning of 900 million carbon permits in the EU's ETS.

The EU ETS has struggled with an excess of unsold carbon allowances, which has caused prices to drop to dangerous lows that many say are incapable of supporting investment in cleaner energy sources. The proposed plan, known as "backloading," is meant to be a short-term fix to the supply problems until larger reforms can be made to the system.

The plan had already passed in the European Parliament earlier this year, only for a deadlock to emerge among EU member states. Federal elections in Germany, however, have been credited for improving the backloading measure's prospects, with Chancellor Angela Merkel's likely new coalition partner indicating that it would back the policy. (See Bridges Weekly, [4 July 2013](#) and [24 October 2013](#), respectively)

The only EU member states to formally oppose the plan last week were Cyprus and Poland, the latter of which is heavily reliant on coal.

"Finally!" EU Climate Commissioner Connie Hedegaard said on social media website Twitter. "Common sense prevailed. Almost unanimous support from MSs. Moving toward a stronger ETS."

Negotiations are now set to begin between the Commission, Parliament, and Council on the legal text of the backloading plan. This would then need to return to EU parliamentarians for a final vote, and get approval again from ministers, a process which is expected to finish by the end of the year. Analysts say that permit withdrawals will likely begin mid-2014, barring any setbacks.

ICTSD reporting; "Carbon tax repeal first on agenda: PM," THE AUSTRALIAN, 12 November 2013; "Tony Abbott attempts to shift focus to carbon tax as new parliament opens," THE GUARDIAN, 10 November 2013; "EU states approve 'backloading' fix to rescue bloc's carbon emissions trade," DEUTSCHE WELLE, 8 November 2013; "EU in breakthrough towards backloading," REUTERS, 8 November 2013; "Labor facing strain over the removal of carbon pricing," THE AUSTRALIAN, 12 November 2013.

CHINA

China Pledges to Increase Market Role in Economy

In a landmark move, Chinese leaders announced on Tuesday that the market will now play a "decisive role" in the economy, following a major meeting that is expected to set the tone for the country's policies in the coming decade.

The meeting, formally known as the Third Plenum of the 18th Central Committee of the Communist Party, brought together over 200 senior Chinese officials for four days of closed-door meetings in Beijing.

"The core issue is to properly deal with the relationship between government and market, and to let the market play a decisive role in allocating resources and to better perform the functions of government," Tuesday's communique said, according to reports by Chinese state media.

Analysts have been quick to note the change in rhetoric compared to previous plenums, where markets had been deemed to have only a "basic" role. The establishment of 2020 as a clear deadline for "decisive outcomes" with regards to the economy is another unusual step, they say.

Details on what shape such reforms might take remained vague, as is common in such documents, with these expected to be made slightly clearer in the coming days or weeks as government ministries begin their implementation processes.

New leadership

This week's plenum has drawn particularly notice given that the Asian economic giant, which ranks as the world's second largest economy and one of the biggest traders, embarked on a once-in-a-decade leadership transition this past March that saw Xi Jinping and Li Keqiang take on the roles of President and Premier, respectively.

China has also been facing the worrisome possibility of an export slowdown, following a decade of rapid growth, giving the prospect of economic reforms added weight. The weeks leading up to the plenum had been rife with speculation on whether changes in the country's controversial currency or interest rate policies, among other areas, might be announced.

The strict control of the renminbi exchange rate, for instance, has drawn criticism from China's trading partners – particularly the US – for years, with some saying that the currency is undervalued and therefore makes the country's exports artificially cheap compared to their foreign competitors. Currency policy is not explicitly mentioned in the document, though this does not necessarily rule it out as an area for reform, some say.

State-owned enterprises, another contentious area for China, are expected to continue playing a major role, according to the communique. Commentators have criticised the role of these enterprises, noting that they distort competition as they benefit unduly from state support, including from state-owned banks.

China will also need to lower barriers to investment, the communique said, along with speeding up the establishment of free trade areas. The latter comment comes just two

months after the high-profile launch of the Shanghai Free Trade Zone, a pilot project that is set to test out policies such as market-established interest rates.

Tuesday's document also mentions the establishment of a leadership group to oversee these economic reforms, which analysts predict could give Xi the opening to be involved more directly in pushing for change.

Though many have noted that earlier plenums have been similarly vague only later to yield significant changes, others have cautioned that promises of reform have not always lead to substantive follow-through. Thus, observers will be closely watching the extent of implementation of the Plenum's call for change.

ICTSD reporting; "UPDATE 3-China vows 'decisive' role for markets, results by 2020," REUTERS, 12 November 2013; "China's pledge of big reforms cements era of market forces," FINANCIAL TIMES, 12 November 2013; "China keeps state in driving seat but pledges 'decisive' reform," FINANCIAL TIMES, 12 November 2013; "Chinese Leader Gets More Sway on the Economy and Security," THE NEW YORK TIMES, 12 November 2013.

IN BRIEF

Divide over “Fast Track” Deepens Among US Lawmakers

US lawmakers in the House of Representatives are growing increasingly divided over whether to renew “Trade Promotion Authority,” a provision essential to ratifying deals such as the Trans-Pacific Partnership (TPP) and the proposed US-EU trade pact.

Reports emerged on Tuesday that nearly half of the US House of Representatives' 435 members, from both sides of the aisle, have taken issue with renewing the provision, which expired in 2007. With Trade Promotion Authority, also known as “fast track,” the executive branch can submit negotiated trade deals to Congress for straight up-or-down votes, without amendments.

Specific concerns that dissenting lawmakers have raised include whether Congress will have sufficient input into the crafting of new trade deals, and how to account for any adverse impacts such pacts may have on US workers and businesses.

US Trade Representative Mike Froman, as well as the leaders of the Senate Finance Committee, have lately been pushing for renewing “fast track” in the near future, particularly given the efforts of US trade negotiators and their foreign counterparts to conclude the TPP negotiations by the end of this year. (See Bridges Weekly, 13 November 2013).

ICTSD reporting; “House Stalls Trade Pact Momentum,” THE NEW YORK TIMES, 12 November 2013; “Tea Party Joins Liberals In Push Against Fast-Track Trade,” BLOOMBERG, 13 November 2013.

EVENTS & RESOURCES

Events

Coming soon

16 November, Warsaw, Poland. CLIMATE AND HEALTH SUMMIT 2013. This conference, sponsored by the Global Climate and Health Alliance in collaboration with the World Health Organization (WHO) and a series of other partners, will be convened in parallel with the 19th session of the Conference of the Parties (COP 19) to the UN Framework Convention on Climate Change (UNFCCC). This event aims to coordinate action across all sectors to protect human health from the impacts of climate change. Conference participants will also work to develop a roadmap for the international health community to work toward in the run-up to the 2015 climate conference in Paris. For more information, visit the event's [website](#).

17 November, Warsaw, Poland. CLEAN ENERGY AND TRADE AT THE WORLD CLIMATE SUMMIT. This event, organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the Green Growth Action Alliance (G2A2) on the occasion of the World Climate Summit, will focus on the various obstacles to the production, scale up, and deployment of clean energy. Participants will also discuss options for how to address such obstacles, specifically through sustainable energy trade initiatives. Additional information is available at the ICTSD [website](#).

18 November 2013, London, UK. PUBLIC PERCEPTION AND POLICY: FAMINE AND FOOD SECURITIZATION IN THE HORN OF AFRICA. This meeting, sponsored by Chatham House, will look at the impact of reporting on famine and food securitization in the Horn of Africa. Discussions will focus on the themes of Suzanne Franks' book *Reporting Disasters: Famine, Aid, Politics, and Media*. This book analyses how the international configuration of aid and official policy can be informed – and potentially misled – by the portrayal of events, combined with media pressure. For more information, please visit the event [website](#).

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.

15 November: Working Party on the Accession of Seychelles

19 + 21 November: Trade Policy Review Body – Kyrgyz Republic

20 November: Committee on Government Procurement

21 November: General Council

Other Upcoming Events

18-22 November, Accra, Ghana. BEYOND RIO+20 EMERGING CHALLENGES AND OPPORTUNITIES. This conference, hosted by the UN University Institute for Natural Resources in Africa (UNU-INRA), the Initiative Prospective Agricole et Rurale (IPAR

Senegal) and the Institute of Statistical, Social and Economic Research (ISSER, University of Ghana), will bring together African think tanks to share views on the post-Rio+20 world. The initiative aims to contribute to these think tanks' research capacities and give them an additional forum to contribute to the global development agenda. Outputs expected from the conference include an edited book capturing the event discussions, as well as relevant research papers and policy briefs. For more information visit the event's [website](#).

3-5 December, Bali, Indonesia. BALI TRADE AND DEVELOPMENT SYMPOSIUM. This event, hosted by the International Centre for Trade and Sustainable Development, will be held in conjunction with the WTO's Ninth Ministerial Conference. The event aims to encourage innovative thinking and analysis on issues related to trade and sustainable development, in order for stakeholders to translate them into inputs for future negotiations. The event will bring together academics, policy researchers and analysts, representatives from inter-governmental and non-governmental organisations, businesses or the private sector, and parliamentarians. Additional updates on the event will be posted regularly on the ICTSD [website](#).

3-6 December, Bali, Indonesia. NINTH WTO MINISTERIAL CONFERENCE. The WTO's biennial ministerial conference is slated to be held in Bali, with the goal of advancing a set of deliverables from the broader Doha Round negotiations. More information on the event is available on the WTO [website](#); future updates on the conference schedule will be posted there in the coming weeks.

11 December, London, UK. BRAZIL'S UNCERTAIN FUTURE. This event, hosted by the Chatham House will feature Professor Victor Bulmer-Thomas, an Associate fellow at the organisation. The focus of the discussion will be on Brazil's political and economic trajectory and the need for reform, particularly in the context of slower-than-expected growth and the riots earlier this year. More information is available on the event [website](#).

Resources

TRADE IN SUSTAINABLE ENERGY SERVICES. By Joachim Monkelbaan for the International Centre for Trade and Sustainable Development (ICTSD) (October 2013). In this paper, the author analyses the role of trade and services within the context of sustainable development and suggests ways forward in ongoing negotiations, as well as those under discussion – such as sustainable energy trade initiatives, or SETIs. The paper outlines the benefits of facilitating trade in sustainable energy services; how to identify these services; and how to analyse specific WTO members' commitments in this area. For more information, or to access the paper, click [here](#).

BRUSSELS BRIEFING ON ENVIRONMENT: ALL YOU NEED TO KNOW FOR THE MONTH OF NOVEMBER 2013. Published by viEUws (November 2013). This "Brussels Briefing on the Environment" features journalist Sonja van Renssen, who provides an overview of the UN climate talks in Warsaw, potential scenarios for the EU's 2030 climate and energy targets, and a look forward to the possible environment policies of the next European Commission for 2015. The video features statements by EU Climate Commissioner Connie Hedegaard and EU Environment Commissioner Janez Potočnik. The video is available [here](#).

RURAL URBAN PARTNERSHIPS: AN INTEGRATED APPROACH TO ECONOMIC DEVELOPMENT. Published by the Organisation for Economic Co-operation and Development (OECD) (November 2013). This report, part of the OECD's Rural Policy Review series, aims to provide a framework for understanding the changing relationships between urban and rural areas. It highlights the characteristics of such partnerships and what factors can help or hinder cooperation between the two. The report is available [here](#).

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PUBLISHED BY



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Bridges Weekly Trade News is made possible
through generous contributions of donors and
partners including

DFID - UK Department for
International Development

SIDA - Swedish International
Development Agency

DGIS - Ministry of Foreign Affairs
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of publications is most welcome; if interested,
please contact Andrew Crosby, Managing
Director at +41-22-917-8335.

Contributors to this issue are Andrew Aziz, Sofia
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Bridges Weekly Trade News Digest is edited by
Sofia Alicia Baliño.

The Publisher and Director is Ricardo Meléndez-
Ortiz. The Editor in Chief is Andrew Crosby.
Comments and suggestions are welcomed and
should be directed to the [editor](#) or the [director](#).

Price: €10.00

ISSN 1563-0

