

# BRIDGES WEEKLY

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## WORLD TRADE ORGANIZATION

### WTO Talks Begin on US-India Breakthrough

Trade negotiators in Geneva are set to meet today to begin WTO consultations aimed at "multilateralising" a US-India deal on farm subsidy rules and advancing the implementation of a separate pact aimed at easing customs procedures, officials have said.

WTO Director-General Roberto Azevêdo is convening the consultations after returning from various international gatherings, including the summit of G-20 major economies in Brisbane, Australia, sources told Bridges.

Negotiators said they were hopeful that the talks could help smooth over nearly four months of uncertainty over the future of global trade negotiations, which had begun to raise serious questions about the viability of the trade body and its ability to strike deals.

A breakthrough between the US and India last Thursday effectively resurrected the Bali package of trade agreements which had been concluded at the organisation's ministerial conference one year ago. (See Bridges Weekly, [13 November 2014](#))

Progress on the package had been imperilled following India's decision in July to veto the adoption of a Protocol of Amendment that would incorporate the WTO's Trade Facilitation Agreement (TFA) into the global trade body's legal framework – a key step for the future implementation of the pact, which will later need to be ratified individually by members.

New Delhi had told other members in July that it would only allow the treaty implementation to advance if negotiators agreed to extend indefinitely a commitment not to challenge its food stockholding schemes under WTO farm subsidy rules.

#### Ambassadors to meet

Azevêdo was due to meet today with heads of delegation from over a dozen members to see if the US-India accord would be acceptable to other countries.

Trade sources told Bridges that the initial meeting would include negotiators from a cross-section of the WTO membership. Argentina, Australia, Brazil, Canada, China, the EU, India, Indonesia, Japan, Kenya, Lesotho, Switzerland, Uganda, and

the US had reportedly been invited to attend.

Other meetings would then follow if the accord seemed to provide a foundation for a deal.

If there was no opposition from other countries, negotiators said they also expected that the WTO's highest decision-making body outside of the ministerial conference, the General Council, would meet on Wednesday 26 November to finalise decisions in the two areas.

The trade body's Preparatory Committee on Trade Facilitation would meet beforehand on the same day, sources said, with the goal of finalising the Protocol of Amendment text and associated draft General Council decision.

### **Continuing with "renewed optimism"**

Delegates should continue their usual work "with renewed optimism," said Miriam Chaves, the Argentine official who chairs the WTO Committee on Agriculture, in opening a [meeting](#) of the committee last week.

Though the committee's role is to review how governments are implementing the existing WTO's Agreement on Agriculture, rather than to negotiate new agreements, Chaves did confirm the news of the deal between Washington and New Delhi.

Trade officials told Bridges that, while specific details remained scant, last week's India-US agreement was expected simply to reconfirm the provisions of the Bali deal, while clarifying that an interim accord to refrain from challenging developing country food stockholding schemes would apply indefinitely until a permanent solution had been found to the problems that some countries had raised.

Previously, the Bali agreement had said that this "peace clause" would apply until the permanent solution was adopted, with the aim of doing so at the eleventh ministerial conference, expected to be held in 2017.

Other concerns that India had reportedly raised in talks since September are not believed to be part of the bilateral accord, trade sources told Bridges.

These include the possibility of relaxing existing requirements to notify more detailed information about stockholding schemes in order to be able to benefit from the Bali peace clause, and the possibility of extending the peace clause to cover legal challenges under the WTO's agreement on Subsidies and Countervailing Measures. At present, only the provisions of the trade body's Agreement on Agriculture are covered by the deal.

The proposed clarification on the duration of the peace clause also means the agreement would still only cover "existing programmes" – a clause that some developing countries had objected to in Bali.

### **Farm subsidy questions**

Chaves told last week's agriculture committee meeting that she did not expect comments or questions on the deal. Instead, these should be kept "for a later moment when details are available," she said.

Discussion in the committee nonetheless focused heavily on some of the questions around farm subsidy payments that had prompted the original proposal from developing countries. (See Bridges Weekly, [14 November 2012](#))

In particular, India was asked some 42 questions on its domestic support payments from 2004 to 2011, a seven-year period on which the government had submitted official figures to the WTO in September. (See Bridges Weekly, [18 September 2014](#))

Other countries asked for more information on India's use of US dollars to calculate farm support, questioning whether public stockholding schemes might affect export prices, and asked for more information on key variables such as the value of farm production – used to calculate levels of trade-distorting support.

Other countries' farm support schemes also came under the spotlight in the committee – both those classed as trade-distorting, and those notified as causing not more than minimal trade distortion.

India asked for more information about aspects of US legislation, seeking explanations about the functioning of new crop insurance programmes, irrigation schemes, and other forms of support.

Canada also asked for further explanation of why Jordan had adjusted its farm subsidy notifications to account for price inflation. A number of developing countries have proposed that price inflation in the last two decades should be taken into account when calculating levels of farm support.

### **Caution urged**

Delegates cautioned, however, that the breakthrough on the India-US stand-off did not necessarily mean that progress would immediately be achieved on the wider agenda of trade talks at the WTO, and in particular on the long-running Doha Round that was launched in 2001.

In Bali, ministers had instructed negotiators to establish a work programme within one year – in other words, by December 2014 – to address the remaining Doha issues. Azevêdo recently told trade officials that he thought the deadline would now be missed.

"This is not going to suddenly unlock the negotiations," one delegate warned.

"The US is still defending its Farm Bill; the EU is defending a low-ambition approach, which they call 'simplification'; and China doesn't want to give any more - which is a key demand of the US."

Another source agreed that "a detailed work programme is next to impossible" within the original deadline.

"It's sort of back to where we were in January," one negotiator acknowledged.

ICTSD reporting.

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## GLOBAL ECONOMY

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# G-20 Leaders Unveil National Growth Strategies, Eyeing US\$2 Trillion Boost

This past weekend, leaders from the G-20 coalition of major advanced and emerging economies unveiled a collection of "national growth plans" which combined, they say, will yield a 2.1 percent in growth over the group's GDP above current trajectories by 2018, and a 0.5 percent increase for non-G-20 members.

The release of these plans came after two days' worth of meetings that touched on issues ranging from trade deals to energy issues and the Ebola crisis. However, the talks were also nearly overshadowed by continued disagreements between Russia and other G-20 members over the Ukraine situation. (For more on Russia, see related story, this edition)

The high-level discussions, while focused primarily on the state of the global economy, also included the release of national plans aimed at raising employment levels, as well as an agreement to set up a Global Infrastructure Hub that will help in the implementation of the multi-year Global Infrastructure Initiative, which aims to improve quality public and private infrastructure investment.

### US\$2 trillion by 2018

"[The national growth plans] will add more than US\$2 trillion to the global economy and create millions of jobs," leaders from the group said in their [final communiqué](#), which was issued on Sunday in the Australian coastal city of Brisbane, where the meetings were held.

All combined, the measures featured in these growth plans number at nearly 1000, of which over 800 are new, officials say. Among these are measures focused on trade, employment, investment, competition, and macroeconomic policy.

The 2.1 percent GDP increase is in comparison to the trajectories implied by the existing G-20 policies at the time of last year's summit in the Russian city of St. Petersburg. (See Bridges Weekly, [12 September 2013](#))

Whether the raft of commitments being prepared by individual members would amount to the 2 percent goal announced earlier this year had been questioned repeatedly in the run-up to the conference, with Australian officials – including Prime Minister Tony Abbott, who hosted this year's event – stressing the need for quality over quantity. (See Bridges Weekly, [24 July 2014](#))

Ultimately, the total effect of the measures announced this weekend is now expected to slightly exceed that original 2 percent target, with analysis by the International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD) placing the expected GDP gains at 2.1 percent. About a quarter of these gains, the international organisations have said, will come from the expected positive spillovers from these various policies being enacted concurrently.

The commitments made under the auspices of the G-20 are, by nature, non-binding, which has in the past led many critics to deem the annual summits as more of a "talkfest" than a forum for action. That notion has been one that Abbott [had hoped to counter](#) in his presidency of the group, with the leader stressing repeatedly that the meet would be "about real results, not lofty words."

"The Brisbane Action Plan and individual country growth strategies and employment plans have been made public so people around the world can see our commitments, hold us to account, and witness our progress," [said a statement](#) from the Australian premier's office after the summit.

### **WTO notes rising trade restrictions**

In past meetings, G-20 members had pledged to institute a standstill on any new protectionist measures on trade and investment, while rolling back any that had been introduced since the start of the crisis. The standstill commitment was extended last year, through 2016.

However, the [latest report](#) from the WTO on restrictive trade measures introduced by G-20 economies since the onset of the 2008 financial crisis found that such policies continue to rise. According to the 6 November study, there have been 1244 such measures put in place since 2008, and only 272 have been removed.

This year's communiqué and associated action plan do not explicitly refer to the standstill and rollback pledges, though the latter document does note that "resisting protectionism" continues to be one of the group's "core" commitments.

The group has asked the WTO to continue its monitoring in this area, and for the OECD and the UN Conference on Trade and Development (UNCTAD) to do the same with regards to their review of investment restrictions.

### **Multilateral trading system**

Leaders also welcomed the recent breakthrough between India and the US over the implementation of two of the outcomes from the WTO's Ninth Ministerial Conference in Bali, Indonesia last December.

The stalemate, which dated back to July, had threatened to put the entire Bali package at risk, and had raised serious questions over the future negotiating agenda of the global trade body. (See Bridges Weekly, [13 November 2014](#))

WTO Director-General Roberto Azevêdo, in a [press conference](#) at the G-20, noted that last week's news had "breathed new life" into the global trade body, and suggested that efforts at finalising the US-India understanding across the whole WTO membership could potentially be done within two weeks' time. (For more on this process, see related story, this edition)

In this context, G-20 leaders pledged "to implement all elements of the Bali package and to swiftly define a WTO work programme on the remaining issues of the Doha Development Agenda to get the negotiations back on track."

The group also raised the need to "discuss ways to make the system work better" when they gather for next year's summit, in an apparent nod toward the growing questions over the difficulties WTO members have faced over the years in advancing their negotiations.

### **On the sidelines, leaders give TTIP push**

The high-level meetings also provided an opportunity for leaders of the countries involved in negotiations for some of the mega-regional trade talks, such as the Transatlantic Trade and Investment Partnership (TTIP), to meet and give a political push to these processes.

These trade deals have grown in both number and scope over the past several years, particularly amid the slow progress in multilateral talks at the WTO.

While some critics have warned that the proliferation of such deals could lead to problems such as a “spaghetti bowl” of overlapping regulations, while also cutting out smaller countries from trade rule-making processes that could have global impacts, advocates have noted that these deals could help set new global standards and boost economic growth.

Talks for a bilateral EU-US trade pact were launched in June 2013, with officials initially saying that they hoped to see a deal by late 2014. Since then, however, the talks have slowed, which has partly been blamed on the leadership transition that was underway this year in the EU institutions, as well as the midterm elections held this month in the US.

In the meantime, technical talks have continued, in the hopes of setting out the groundwork for the more difficult political decisions later on. (See Bridges Weekly, [2 October 2014](#))

In a joint statement on Sunday, leaders from the US and EU, as well as from EU member states France, Germany, Italy, Spain, and the United Kingdom, pledged their continued commitment to “comprehensive and ambitious negotiations” aimed at reaching a high standard TTIP deal.

“We commend the work of the negotiators over the last 16 months, and direct them to make all possible progress over the coming year,” leaders [continued](#), without suggesting any target deadline.

[Speaking to reporters](#) after the meeting, UK Prime Minister David Cameron said that the leaders aim to “put rocket boosters” under the TTIP talks, adding that it was time for officials to address opponents of the pact and their respective arguments.

“I think there is a sense that these deals only work if you... get on with the negotiations and start making agreements because otherwise people who for whatever reason oppose these agreements start gaining some traction,” Cameron continued.

While a separate meeting was also held between Obama, Abbott, and Japanese Prime Minister Shinzo Abe, all from countries involved in separate negotiations for the 12-country Trans-Pacific Partnership (TPP), [a statement](#) released afterward made no specific reference to the talks.

However, the US President did stress [in a speech](#) given in Queensland that same weekend that the TPP’s value as a potentially “historic achievement” that could help improve global economic integration across the board.

“That’s also why it’s hard – because we’re asking all these countries at various stages of development to up their game,” he said. “And it requires big transitions for a lot of these countries, including for the United States. And TPP is just one part of our overall focus on growing the global economy. That’s what the G-20 meetings are all about.”

ICTSD reporting.

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## CLIMATE CHANGE

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# Green Climate Fund in the Spotlight at G-20 Leaders' Meet

US President Barack Obama and Japanese Prime Minister Shinzo Abe on Saturday pledged US\$3 billion and US\$1.5 billion respectively to a multilateral fund geared towards helping developing economies scale up low-carbon growth models.

"Along with other nations that have pledged support, we'll help vulnerable communities with early-warning systems, stronger defences against storm surges, and climate-resilient infrastructure," Obama said, acknowledging the systemic role of the Green Climate Fund (GCF), as the new instrument is formally known.

The two leaders on Saturday also encouraged other countries in a position to do so to come forward with GCF contributions.

The funds will be used to foster systemic economic transformation, such as by leveraging private sector investment to ramp up green infrastructure and deploy clean energy technology.

"We are doing this because it is in our national interest to build resilience in developing countries to climate change," a senior US official told The New York Times on Saturday.

Saturday's climate funding drive came just ahead of the formal opening of the annual meeting of heads of state and government of the Group of 20 (G-20) major advanced and emerging economies held over the weekend in Brisbane, Australia. A number of commentators remarked on the timing of the move given the perceived reluctance of the host nation to include too much climate change on the agenda, according to reports.

### Financial tally

Saturday's joint announcement brings the [total finance](#) promised to the instrument up to US\$7.5 billion, in a development heralded as an important boost for talks towards a global climate deal. Some US\$1.3 billion had already been offered up by eight countries at a special UN climate summit in September, including US\$1 billion from France, adding to a US\$960 million pledge made by Germany at the end of the summer. (See BioRes, [30 September 2014](#))

A product of the 2010 round of climate talks, the GCF is geared toward helping rich nations make good on a pledge to set aside US\$100 billion per year by the end of the decade for climate mitigation and adaptation in the world's poorest countries.

However, while the institutional arrangements for the fund were finalised this past May, initial offerings proved slow. Some developing countries have warned that the capitalisation of the Green Climate Fund with at least US\$10 billion by December would be a crucial part in ensuring success in ongoing multilateral climate talks, being conducted under the banner of the UN Framework Convention on Climate Change (UNFCCC). (See BioRes, [21 May 2014](#))

The financial capital required to tackle climate change, particularly for poorer economies, has been among the main hurdles in the UNFCCC discussions given that the issue sits at the nexus of aid and climate politics.

Predicting the exact climate mitigation and adaptation costs is an uncertain business, given the number of variables and shifting risk factors, although some attempts have been made. A report by the Potsdam Institute for Climate Impact Research in 2009 estimated that developing country climate mitigation needs would be between US\$480-600 billion a year up to 2030 and US\$1.2 trillion a year from 2030-2050. A 2010 World Bank assessment found that developing country adaptation would add up to between US\$75-100 billion a year.

Meanwhile, the International Energy Agency (IEA) has said that an additional US\$44 trillion worth of investments are required in clean energy by 2050 to avoid the worst effects of climate change.

### **G-20 push for climate action**

Additional impetus around climate finance and governance featured in the final [communiqué](#) issued on Sunday by G-20 leaders.

In a paragraph dedicated to climate change, the document reaffirmed support for mobilising finance for adaptation and mitigation, including through mechanisms such as the Green Climate Fund. Leaders also reiterated their commitment to securing a global climate deal next year and encouraged parties capable of doing so to submit their intended nationally determined contributions (INDCs) by the first quarter of 2015.

The Australian G-20 presidency allegedly resisted the inclusion of the INDC language because this would ramp up pressure for the group's economies to reveal their post-2020 emissions-reduction targets.

Some major G-20 economies have, however, already come forward with these.

Just ahead of the weekend meet, China and the US jointly unveiled their medium-term climate targets, in what was hailed as a landmark move given their long-running disagreements over emissions-cutting responsibility. These new targets include a 26-28 percent emissions reduction below 2005 levels by 2025 for the US, a 20 percent scale-up of non-fossil fuels in its energy mix by 2030 for China, together with a bid to reach peak emissions around this time if not before. (See BioRes, [13 November 2014](#))

Last month, the 28-nation EU bloc reached political agreement on its new climate and energy goals including a 40 percent greenhouse gas emissions reduction from 1990 levels by 2030. (See BioRes, [27 October 2014](#))

### **Berlin summit**

A formal pledging summit for the GCF is underway in Berlin, Germany this week, where further contributions could be announced.

After promises are made, however, a key step will be delivering the cash. The GCF's coffers currently hold US\$13 million and some countries such as the US may have difficulty pushing the climate aid through domestic legislatures.

ICTSD reporting; "Obama, in latest climate move, pledges \$3 billion for global fund," REUTERS, 14 November 2014; "U.S. to give \$3 Billion to Climate Fund to Help Poor Nations, and Spur Rich Ones," THE NEW YORK TIMES, 14 November 2014; "Tony Abbott rules out more contributions from Australia to Green Climate Fund," The GUARDIAN, 16 November 2014; "G20 climate change statement's evolution reveals backroom battle," THE GUARDIAN, 16 November 2014; "Are countries contributing their fair share to the UN's climate adaptation fund?" THE CARBON BRIEF, 14 November 2014.



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## PREFERENTIAL AGREEMENTS

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# Australia, China Finish Trade Talks

Australia and China finished their negotiations for a bilateral trade pact on Monday, in a move that has been welcomed as a "historic" achievement by officials from both sides.

The news, which was confirmed following meetings between Chinese President Xi Jinping and Australian Prime Minister Tony Abbott in Canberra, caps nearly a decades' worth of talks, though the deal will still need to undergo a full legal scrubbing on both sides before it can be opened for signature.

The latter is expected in 2015, according to a statement on the Australian premier's website. In the meantime, the trade ministers of the two respective countries have inked a declaration of intent geared toward advancing this process.

News of the agreement also comes fast on the heels of two major international summits held in the region, one hosted by China and the other by Australia.

Both summits – the former being the annual Asia-Pacific Economic Cooperation (APEC) leaders' week, the latter the G-20 leaders' gathering – focused heavily on the need to promote growth-oriented measures that would strengthen the global economic recovery, still in its fragile stages. In both instances, trade deals were raised as one avenue for working toward this goal.

"The success of Australia's G-20 presidency owes a very great deal to China's like-minded leadership of APEC over the past year," Abbott told [Australian parliamentarians](#) in Canberra on Monday, shortly before Xi took the floor for his own speech.

"Australia was only able to mobilise G-20 members to make specific policy commitments to deliver inclusive growth and jobs and freer trade because China was already pursuing similar goals," Abbott added, referring to the release by G-20 members of national growth plans aimed at boosting the coalition's collective GDP. (See related story, this edition)

### **Agricultural tariffs, review mechanism**

Under the terms of the China-Australia accord, known otherwise as ChAFTA, tariffs on over 85 percent of Australian goods exports will be eliminated when the deal enters into force. Four years later, this number will rise to 93 percent of goods exports.

Among some of the notable provisions in the pact are those involving farm trade, given Australia's status as a major agricultural exporter. For instance, the deal will phase out Chinese import tariffs on Australian dairy products, as well as on beef and sheep products.

Canberra has repeatedly said that it wanted at least the equivalent that New Zealand received in its own agricultural pact with Beijing, [a statement](#) that Australian Trade Minister Andrew Robb reiterated as recently as last week.

Australian access to Chinese agricultural markets had reportedly been among the more difficult areas of the talks, along with Beijing's request for an easier approval process for foreign investment, including those by state-owned enterprises.

The deal will also feature an investor-state dispute settlement mechanism (ISDS), which provides a legal platform for foreign companies to file a case against a host country in front of an international tribunal if the company finds that one of its key protections – such as against expropriation or discrimination – has been violated.

These provisions have become a lightning rod for debate in recent years, with proponents citing the need to protect investors from instances of unfair practices and the need to set improved international standards in the area. Opponents, in turn, have questioned whether the design of these tools could, if done incorrectly, open the door to lawsuits against public policies aimed at issues such as health and environmental protection.

On services, the deal is also expected to yield major openings, with Australian officials remarking that it will provide their country with the best market access that China has ever granted in this area. Among the various services sectors covered in the scope of the deal are legal services, financial services, telecommunications, mining and extractive industries, and transport, to name a few.

For manufactured goods, as well as pharmaceuticals, tariffs will also be lifted. The agreement will also have a built-in review mechanism in order to allow for additional market access over time, with the first review due three years after the deal's enactment.

### **Coal tariffs to be removed**

Another notable provision of the pact, officials say, will be the removal of tariffs on various Australian mineral resources and energy products.

Notably, Chinese tariffs on imports of both coking coal and thermal coal from Australia will be removed. For the former, these will be lifted upon the trade pact's entry into force; for the latter, these will be phased out over a two-year period.

Beijing's decision to impose these tariffs on such imports – which did not apply solely to Australia – came just a few weeks ago, and was reportedly greeted with surprise and frustration by Australian officials, though some suggested at the time that the trade negotiations could resolve them. Coal is the island country's single largest export to China. (See Bridges Weekly, [16 October 2014](#))

### **Series of trade deals**

Just over a year ago, the Australian premier – then only just beginning his tenure – pledged that his government would complete ongoing trade negotiations with Japan, South Korea, and China, respectively, within the course of 12 months.

In the time since, the Australia-South Korea deal has been signed, though still requires ratification, while Canberra's negotiations with Tokyo were finalised in April. (See Bridges Weekly, [17 April 2014](#) and [10 April 2014](#), respectively)

With negotiations on this latest deal done, the Abbott government has said that it intends to next complete talks with another major Asian trading partner – India.

"If all goes to plan – and no one, if I may say so, has ever made the Indian bureaucracy perform as Prime Minister [Narendra] Modi did in Gujarat – by the end of next year, we will have a free trade deal with what is potentially the world's largest market," Abbott [told his country's parliament](#), shortly before Modi was due to address lawmakers this week.

ICTSD reporting; "Free trade agreement: Dairy farmers set to be big winners in deal between Australia and China," ABC NEWS AUSTRALIA, 17 November 2014; "Tony Abbott seals free trade deal with Beijing," THE AGE, 17 November 2014; "Australia and China seal major free trade deal," BBC NEWS, 17 November 2014.

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## EU Parliament Backs Moldova Deal, as Russia Trade Tensions Persist

The European Parliament voted last week to ratify its Association Agreement and trade deal with Moldova, in a move that observers say will likely heighten tensions between the EU and Russia, already under strain over the Ukrainian crisis. The news comes as Brussels and Moscow continue to disagree heatedly over trade issues, in forums ranging from the WTO in Geneva to this past weekend's G-20 summit in Brisbane.

An overwhelming majority of EU parliamentarians – 529 of 751 – [voted](#) for ratifying the Moldova pact last week. However, the deal still needs sign-off from the national parliaments of individual EU member states to fully enter into force.

So far, seven EU member state parliaments have completed ratification. The agreement was already ratified in Moldova this past July.

### Road to EU membership?

In a plenary speech before Parliament, lead negotiator and EU rapporteur Petras Auštrevičius said Thursday that the Association Agreement signalled a "new European future for Moldova and its people."

In the short-term, the deal lifts import duties on most goods traded between the two sides, among various other provisions. The Deep and Comprehensive Free Trade Agreement (DCFTA) included in the association pact has already been applied provisionally since September.

However, many see the Association Agreement as being a potential precursor to the bigger prize of EU membership, with EU parliamentarians noting the deal "will form a backbone" for closer economic and political ties as the two sides work towards further integration.

Following the vote, Moldovan Prime Minister Iurie Leancă said that "only a European future will ensure" higher wages, living conditions, education, healthcare, functional institutions, and "access to a market with over half a billion consumers."

However, opposition to the deal is reportedly strong in some quarters of Moldova, particularly among the leaders of the semi-autonomous Russian-speaking Transnistria region, who argue that they were not part of the negotiation or approval processes.

After a year marred by violence in Ukraine, Moldova is the next former Soviet republic after Kiev to approve an EU Association Agreement since before the crisis began. The popular protests that toppled the former Ukrainian government had erupted after then-President Viktor Yanukovich chose not to sign a similar deal in late 2013.

That deal was later ratified by both sides this past September, under the new Ukrainian government, though implementation has been partially delayed in order to continue discussions with Moscow. (See Bridges Weekly, [18 September 2014](#))

As a small country that is also among Europe's poorest, Moldova is a significantly smaller trading partner for the EU bloc compared to Ukraine, making up just [0.1 percent](#) of the 28-nation group's overall trade. By comparison, the EU is Moldova's largest trading partner, accounting for nearly half of its trade.

However, given past concerns of Transnistrian intervention, EU officials have expressed concern that Moldova could be pulled into the larger conflict with Russia.

Meanwhile, the EU Parliament's press release calls for Russia to "respect Moldova's territorial integrity and European choice," while criticising the Kremlin for allegedly instituting import bans on some Moldovan products in response to Chişinău's decision.

The vote also comes as Moldova prepares to hold elections on 30 November, with pro-Europe parties expected to win, albeit narrowly.

### **Trade questions raised in Brisbane, Geneva**

With tensions over Ukraine still high, the EU Parliament vote came just two days before G-20 leaders met in Brisbane, Australia for their yearly summit, where tensions over the Kiev situation reportedly came to a head among participants.

In recent months, Russian President Vladimir Putin has repeatedly criticised EU and US trade sanctions against his country, suggesting that they could be in violation of WTO rules – a claim he raised again ahead of the Australia meeting. Moscow has not yet filed a formal trade complaint on this particular matter, however.

In turn, German Chancellor Angela Merkel promised during a Sunday lecture in Brisbane to protect Moldova and other countries, warning Russia that the EU would not back down in Eastern Europe. "It's not just about Ukraine," she added.

Separately, questions of Russia's own alleged WTO violations were again raised in Geneva by the EU, US, Australia, Canada, Japan, Chinese Taipei, New Zealand, South Korea, and Ukraine at the most recent meeting of the global trade body's Council for Trade in Goods, sources familiar with the discussions said.

Moscow, in turn, replied during the 17 November meeting that it was open to constructive dialogue with members on this subject, while claiming that its initial review of the EU-Ukraine deal indicated possible incompatibilities with both other trade agreements and with WTO rules – a charge that Brussels countered at the meeting.

The EU and Russia have lodged a series of formal trade disputes against each other in recent months; while Moscow has filed two WTO challenges against Brussels, the EU has submitted four against Russia, with the latest complaint being tabled just weeks ago. (See Bridges Weekly, [6 November 2014](#))

ICTSD reporting; "EU-Moldova deal approved by MEPs," EURACTIV, 13 November 2014; "European Parliament ratifies Association Agreement between Moldova and EU," IPN, 13 November 2014; "EU Parliament gives nod to Moldova trade agreement," RT, 13 November 2014; "Half of Moldovans favour country's Customs Union membership – poll," ITAR-TASS, 27 October 2014; "G20 summit: Russia sanctions 'undermine trade' – Putin," BBC NEWS, 14 November 2014; "Merkel: Russia cannot veto EU expansion," EU OBSERVER, 14 November 2014.

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## INTELLECTUAL PROPERTY

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# WIPO Development Ctte Makes Headway on External Review, Conference Plans

Discussions at the World Intellectual Property Organization's (WIPO) Committee on Development and Intellectual Property (CDIP) resolved some long-standing differences last week that, observers say, could advance both the preparations for two upcoming international conferences as well as a long-awaited review of the agency's development work.

WIPO Director General Francis Gurry had previously warned members that, without agreement on these "imminently solvable" procedural issues, substantive work within this area of the organisation would be unable to proceed.

### **ToRs set for external review**

The Committee, which met from 10-14 November, saw members finally agree on the Terms of Reference for an external review of WIPO's development activities. Originally scheduled for 2012-13, countries have since clashed repeatedly on the scope of such review and the composition of the team that would be tasked with the project.

The proposed independent external review will examine WIPO's implementation of its Development Agenda (DA), a series of 45 recommendations that the UN agency adopted in 2007 with the goal of mainstreaming development into its work.

The Terms of Reference for an external review now stipulate that one of the three reviewers must have experience in the delivery of technical assistance. Developed countries have in the past argued for reviewers with "real-life experience," hoping to focus the review on concrete activities like technical assistance.

Developing countries pressed for a "comprehensive review" that has "maximal flexibility" to identify gaps in existing implementation. Kenya, speaking for the African Group, stressed that "projects are not ends in themselves, and we must see what is working and what is not."

In an apparent nod to these claims, the Terms of Reference provides that "the team must review the implementation of the recommendations in all the six clusters of the DA."

### **Plans for technology transfer conference advance**

The WIPO Project on Intellectual Property and Technology Transfer will proceed as planned, with a high-level International Expert Forum on the subject planned for next January.

To date, the Project has carried out five regional meetings and six analytical studies. However, discussions on the Project's next steps had stalled after some members raised concerns about the quality of the deliverables being produced, with the US among those suggesting last week that some of the prepared studies appeared "one-sided" and contained "conflicting results."

The EU similarly raised the concern that “the outcomes emerging from this Forum would, automatically, pour into the work of the organisation.”

Following some debate, the CDIP agreed that any disagreements in this area will be discussed at the above-mentioned Forum itself. Any Forum outcomes will then serve as “recommendations” for the development committee to consider, and potentially adopt, in subsequent meetings.

This procedure, Brazil said afterward, “is reasonable and appropriate, because, by the time we discuss this at the CDIP, there will be several instances or filters where these items are thoroughly discussed.”

### **Tentative dates set for IP, development conference**

The CDIP also agreed on tentative dates for the proposed International Conference on IP and Development – an outcome from a previous Committee gathering – and directed the WIPO Secretariat to verify availability of speakers for this event. (See Bridges Weekly, [21 November 2012](#))

Members had previously been unable to endorse any list of speakers for the Conference, with some citing concerns over perceived lack of balance – either in terms of geography or points of view – of the speakers in previous proposed lists, among other considerations.

Building on a proposal submitted by the Group of Latin American and Caribbean countries (GRULAC), members have now agreed that the WIPO Secretariat will be tasked with finalising the speakers' list, while “taking into consideration” the suggestions of member states.

### **Disagreement on coordination mechanism persists**

Despite this progress, discussions on other issues – such as on which WIPO bodies should be part of the CDIP's Coordination Mechanism – yielded fewer advances.

The Coordination Mechanism was adopted in 2010 to help in the implementation of the WIPO Development Agenda. (See Bridges Weekly, [5 May 2010](#))

However, recent meetings of the CDIP have shown deep divides among members over whether the committee itself is indeed a “relevant body” for reporting to the WIPO General Assembly on its work on the Development Agenda.

These talks, along with discussions on a revised version of an Egyptian proposal for a pilot project on intellectual property and tourism, are set to continue at future committee gatherings, after no agreement was reached on either subject last week.

ICTSD reporting.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

**FIFTH GLOBAL REVIEW AID-FOR-TRADE MONITORING EXERCISE.** This monitoring and evaluation (M&E) exercise is being held in advance of the WTO's Fifth Global Review on Aid for Trade, which is scheduled for 30 June to 2 July 2015. The theme of the event will be "Reducing Trade Cost for Inclusive Sustainable Growth." The goal of this M&E exercise is to survey how trade costs affect developing countries' competitiveness and ability to connect to regional and global value chains, what is being done to address this issue, and how Aid for Trade can help reduce trade costs and the associated impacts to deliver inclusive, sustainable growth. In this context, self-assessment questionnaires and calls for case studies have been circulated to the donors, regional economic communities/transport corridors, South-South partners, developing and least developed countries, the private sector, academia, and NGOs. To learn more, or to download the questionnaires, please visit the WTO [website](#).

24 November, London, UK. **REGULATORY ISSUES AND TTIP.** This event, hosted by Chatham House, will focus on the potential challenges regarding regulatory issues in the ongoing Transatlantic Trade and Investment Partnership (TTIP) talks, which are currently underway between the EU and the US. The meeting will feature Ignacio Garcia Bercero, EU chief negotiator for TTIP, as the main speaker, with the topics of discussion expected to include ways in which the two trading partners can improve regulatory coherence in various areas. More information about this invitation-only event is available [here](#).

25 November, Geneva, Switzerland. **TRADE, WOMEN AND YOUTH: THE UNITED NATIONS POST -2015 AGENDA.** This event, hosted by the Graduate Institute of International and Development Studies (IHEID), will focus on the ongoing efforts to elaborate a post-2015 development framework. International Trade Centre (ITC) Executive Director Arancha González will be the main speaker, addressing the opportunities which these UN level discussions can yield, particularly with regards to small- and medium-sized enterprises. In order to register for the event, please visit IHEID's [website](#).

25-26 November, Geneva, Switzerland. **NEW HORIZONS IN SERVICES TRADE GOVERNANCE.** This two-day conference, hosted jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the World Trade Institute at the University of Bern, will raise some of the various issues involving the role that services play in the 21st century global economy. Experts will present some of the findings that will be featured in an upcoming Research Handbook on Services Trade. The event is being held under the joint sponsorship of the Colombian and Mexican missions to the WTO in Geneva. More information is available at the ICTSD [website](#).

26-27 November, Tokyo, Japan. **THE IMPACT AND FINANCING OF INFRASTRUCTURE INVESTMENTS IN THE ASIA AND PACIFIC REGION.** This event, hosted by the Asian Development Bank Institute (ADBI), will focus on a number of upcoming studies on the impact and financing of infrastructure investments. These reviews aim to add to the body of economic research that has been conducted to date on the impact the private sector can have in financing infrastructure projects – particularly in the Asia-Pacific region – as well as examine the various financing modalities available in this area. More information on the event 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.

19+21 November: Trade Policy Review Body – Hong Kong, China

21 November: Committee on Budget, Finance and Administration

24 November: Dedicated Discussion on Electronic Commerce

24 November: Committee on Balance-of-Payments Restrictions

25 November: Council for Trade in Goods

25 November: Committee on Government Procurement

26 November: Preparatory Committee on Trade Facilitation

26 November: General Council

27 November: Committee on Trade and Development – Dedicated Session on Small Economies

27 November: Services Seminar – Mobile Banking

27 November: Committee on Trade and Development

27 November: Committee on Trade and Development – Dedicated Session on the Monitoring Mechanism on Special and Differential Treatment

## Other Upcoming Events

28 November, London, UK. THE EUROPEAN UNION: AN ATTRACTIVE ECONOMIC PARTNER? This Chatham House event will focus on the various trade and economic partnership agreements that the EU has either signed or is currently negotiating with various partners. Participants will therefore review the motivations that non-EU countries may have in seeking additional market access to the EU – mainly, on whether these countries are interested in the markets of certain European member states or in the single market overall. This event is by invitation only, and is being co-hosted with the Konrad-Adenauer-Stiftung Office in Great Britain. For more information, please visit the event [webpage](#).

5-6 December, Tokyo, Japan. 11<sup>TH</sup> ASIA EUROPE ECONOMIC FORUM – WHAT CAN ASIA LEARN FROM ECONOMIC REFORMS IN EUROPE? This conference, hosted by the Asian Development Bank Institute (ADBI) will address how to invigorate sustainable growth in Asia and Europe. The talks are expected to touch upon topics such as macroeconomic and financial policy, structural reforms, globalization, and income distribution. The agenda of the event is available [here](#).

11 December, Lima, Peru. TRADE AND CLIMATE CHANGE: EXPLORING A NEW AGENDA. This event, hosted jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the Economic Commission for Latin America and the Caribbean (ECLAC), will be held on the sidelines of the UN Framework Convention on Climate



Change's annual Conference of the Parties in Lima, Peru. This particular session will focus on the recently launched Environmental Goods Agreement (EGA) negotiations – launched among a subset of the WTO's membership earlier this year – and the associated opportunities this may provide in enhanced technology diffusion and reduced trade barriers in this field. More information is available [here](#).

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## Resources

TTIP: NEW COMMISSION DIVIDED OVER THE FUTURE OF ISDS IN EU TRADE POLICY. Published by the viEUws (November 2014). In this video interview, viEUws journalist Jennifer Baker interviews EU parliamentarian Richard More O'Ferrall, who currently serves as the spokesperson for the Greens Group, on the future of the ongoing trade talks between the EU and US, particularly in the context of the new European Commission. Topics highlighted in the interview include the controversial subject of investor-state dispute settlement (ISDS), as well as questions regarding the level of transparency in the negotiations. To watch the interview, please click [here](#).

TOWARDS GREEN GROWTH IN SOUTHEAST ASIA. Published by the Organisation for Economic Co-operation and Development (OECD) (November 2014). In this new publication, part of the OECD Green Growth Studies series, the authors aim to provide a framework for leaders within the Southeast Asian region who are working toward developing green growth-oriented policies. The paper was prepared following various consultations with local officials and researchers on the subject. The paper can be accessed in PDF form [here](#).

AN ECONOMIC STRATEGY TO SAVE UKRAINE. By Anders Åslund for the Peterson Institute for International Economics (November 2014). In this policy brief, the author highlights the presidential and parliamentary elections in Ukraine this year as an opportunity for advancing economic reforms in the Eastern European country, even in the context of continued political and military turmoil. The author notes, however, that the window to make good on this potential is brief, and therefore requires swift policy action. To learn more, or to read the paper, please visit the Peterson Institute [website](#).

OECD STATISTICS ON INTERNATIONAL TRADE IN SERVICES, VOLUME 2014 ISSUE 2. Published by the Organisation for Economic Co-operation and Development (OECD) (November 2014). This new volume of OECD services trade statistics breaks down these numbers by partner country for 32 OECD members, along with the EU, the eurozone area, and Russia. Definitions and methodological notes for the 2008-2012 period are also provided. The document can be viewed [here](#).

THE TRANS-ATLANTIC TRADE AND INVESTMENT PARTNERSHIP: EUROPEAN DISINTEGRATION, UNEMPLOYMENT AND INSTABILITY. Published by Jeronim Capaldo for the Global Development and Environment Institute at Tufts University (October 2014). In this working paper, the author assesses the effects that the proposed Transatlantic Trade and Investment Partnership (TTIP) could have, once completed. Capaldo conducts his analysis of the planned EU-US trade deal using the United Nations Global Policy Model, and suggests that the TTIP pact could potentially have some adverse impacts on areas such as financial instability and employment. The paper can be viewed [here](#).

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