

# BRIDGES WEEKLY

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## DISPUTES

# US Launches New WTO Challenge Against India Solar Incentives

The US lodged its second WTO challenge against India's domestic content requirements for solar cells and solar modules on Monday, in a move expected to worsen the two sides' already-strained trade relationship. The decision, announced by US Trade Representative Michael Froman, also brings back to the fore a long-standing debate over how countries should best foster the development of renewable energy.

Washington had first challenged New Delhi on its renewable energy incentives a year ago; however, that initial case has not yet advanced past the consultation phase, which is the first level of WTO dispute settlement proceedings. ([DS456](#))

The focus of both the original February 2013 complaint and the new one filed this week is the Jawaharlal Nehru National Solar Mission (NSM), an Indian programme launched in 2010 with the goal of deploying 20,000 MW of solar panels that would be connected to the grid by 2022.

Indian officials have said that the NSM's goal is to lower the cost of generating solar power in the country, along with making New Delhi a "global leader in solar energy."

The NSM is divided into three phases, with Phase I being the subject of the February 2013 challenge. At the time, Washington had complained that New Delhi was requiring developers of photovoltaic projects using crystalline silicon technology to source their solar cells and modules domestically (See Bridges Weekly, [13 February 2013](#))

The implementation of Phase II – the subject of the new WTO challenge – was approved by India's cabinet this past October. According to Washington, this second stage maintains the original domestic content requirements, requiring new Indian solar projects to obtain at least half of their content from local producers.

The US also claims that Indian solar power developers are provided with certain benefits – such as long-term tariffs on electricity – that are contingent on the use of domestically-produced solar cells and modules.

Furthermore, these local requirements have now been expanded to cover thin film technology, which were not included in Phase I.



International Centre for Trade and Sustainable Development

Thin film makes up the bulk of US solar exports to India, and over half of the projects under NSM have relied on imports of the product.

These terms, Washington says, puts New Delhi in violation of WTO rules on national treatment, both under the organisation's General Agreement on Tariffs and Trade, and under the Agreement on Trade-Related Investment Measures.

Sources familiar with the new US claim say that Washington is aiming to supplement the existing one, and not replace it. US officials have also said that the consultations it conducted with India in the first complaint were unable to resolve its concerns.

The two sides will now be required to hold consultations for a minimum of 60 days in an attempt to resolve their differences. Should these consultations fail to yield a result, the US may then ask that a WTO panel be established to hear the case. Sources say that the WTO will be treating the new complaint as an addendum to last year's consultations request.

### **Renewable energy deployment**

In 2011, the US exported US\$119 million worth of solar industry products to India, making the Asian country the US' second largest export market in this area. Since then, the level of exports has fallen, Washington says, with the NSM being partly to blame.

"These unfair requirements [imposed by India] are against WTO rules, and we are standing up today for the rights of American workers and businesses," Froman [said](#) on Monday in announcing the decision, adding that Washington's move is also aimed at increasing the deployment of renewable energy at a global level.

"These types of 'localisation' measures not only are an unfair barrier to US exports, but also raise the cost of solar energy, hindering deployment of solar energy around the world, including in India," he added.

However, analysts note that while the NSM has a local content requirement, much of the capacity increase seen in India over recent years has come as a result of state schemes, such as the one in Gujarat, which do not have local content requirements.

In addition, of the total 9000 mega-watts being commissioned under Phase II between now and 2017, only half – in the first batch of projects, 375 megawatts out of 750 – will be subject to the domestic sourcing requirements.

Since the news of the US complaint broke, Indian officials have publicly insisted that their programme is in line with WTO rules, and have raised their own concerns about some of the US' solar schemes.

"We have evidence of, I think, 13-odd [US] states which follow equally restrictive policies," Indian Commerce Secretary Rajeev Kher told the Press Trust of India. "So we are examining their policies."

The issue of how governments should best support their renewable energy sectors without running afoul of international trade rules has become increasingly prominent in current debate, sparking high-profile rows both at the WTO and elsewhere.

For instance, the Canadian province of Ontario's feed-in tariff (FIT) programme for renewable energy was the subject of a dispute filed by the EU and Japan, also due to a local content requirement (LCRs) in the scheme. The WTO's highest court ruled last year that the design of the scheme violated Canada's commitments at the global trade body, confirming an earlier panel finding. (See Bridges Weekly, [8 May 2013](#) and [19 December 2012](#), respectively)

Local content requirements, such as the one cited in India's NSM programme or the Ontario FIT scheme, have been particularly controversial in the renewable energy debate. While advocates say that these requirements are key to advancing the sector's development, creating "green jobs" and increasing opportunities for investment, some critics have warned that LCRs can actually increase energy costs and stifle competition.

Many US solar producers and developers have welcomed Washington's decision to challenge the Indian programme, with Rhone Resch, president of the Solar Energy Industries Association, [calling](#) the move "justified and necessary."

"Localisation barriers are a growing threat to US solar exports and clearly violate WTO rules," Resch said, adding that the US has repeatedly urged India over the past three years to change its policies.

### **US-India ties at risk?**

The new dispute comes during a period of increasingly strained trade ties between Washington and New Delhi, with the two sides sparring repeatedly in recent years on subjects as varied as patent protection policies, poultry import bans, and steel duties. (See Bridges Weekly, [30 May 2012](#) and [18 April 2012](#))

However, USTR Froman was quick to downplay any suggestions that the two sides' relationship has soured, stressing that Washington has "strong and growing" ties with New Delhi.

"An important part of any maturing trade relationship is effectively addressing the range of issues on our trade and investment agenda, including in areas where we might disagree," he told reporters on Monday.

ICTSD reporting; "U.S. Files Second Case Against India on Solar-Energy Policy," BLOOMBERG BUSINESSWEEK, 10 February 2014; "India lashes out at US in solar trade spat," AGENCE FRANCE PRESSE, 11 February 2014; "RPT-UPDATE 1-India warns U.S. about dumping investigation in solar trade spat," REUTERS, 11 February 2014; "India's National Solar Mission, Phase II" PV Magazine, October 2013.

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## AFRICA

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# West Africa, EU Reach Trade Deal

The EU and West Africa have reached a compromise on an Economic Partnership Agreement (EPA), following over a decade of negotiations. The trade pact is meant to provide 16 West African countries with long-term access to the European market, without being subjected to tariffs or quotas.

The two sides [reached](#) a deal at the senior official level on 24 January, and at the chief negotiators' level last Thursday. Sources say that while a political endorsement is needed, this is merely a formality. Along with being initialled and signed, both sides will then have to ratify the deal in their respective legislatures.

In the days preceding the agreement, EU Trade Commissioner Karel De Gucht had met with Senegalese President Macky Sall and Commission of the Economic Community of West African States (ECOWAS) President Kadré Désiré Ouedraogo, as well as other high-level politicians, in an effort to clear up outstanding issues.

The sixteen African countries included in the deal are Benin, Burkina Faso, Cape Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo, and Mauritania.

According to the European Commission, West African countries account for 40 percent of all trade between the EU and African, Caribbean and Pacific (ACP) countries.

### October deadline

The goal of Economic Partnership Agreements is to provide for trade reciprocity, promote sustainable development, and advance regional integration by encouraging ACP countries to enter negotiations with the EU in regional groupings, rather than individually.

Negotiations for these agreements began over a decade ago; however, only the Caribbean and four African countries – Mauritius, Madagascar, Seychelles, and Zimbabwe – have finalised their EPAs so far.

The slow pace of the negotiations has long been a source of tension between the EU and African countries. In an effort to speed up the talks, the European Commission announced in September 2011 that it would be imposing 1 October 2014 as a [deadline](#) for the withdrawal of market access regulation "MAR 1528" – which currently provides duty-free, quota-free market access to ACP countries. (See Bridges Weekly, [5 October 2011](#))

The aim of this deadline, Brussels explained, was to give these countries added incentive to conclude regional EPAs, as well as to start implementing their existing ones. Should the developing countries not ratify an EPA by this new deadline, they could potentially lose their free access to the European market.

With the October deadline fast approaching, trade and development ministers from five EU member states – Denmark, France, Ireland, the Netherlands, and the United Kingdom – recently asked the European Commission to show more flexibility in its EPA negotiations.

The 5 December [letter](#), addressed to the EU High Representative for Foreign Affairs Catherine Ashton, EU Commissioner for Development Andris Piebalgs and EU Trade Commissioner Karel de Gucht, raises concerns regarding "the current situation" involving

the interim EPA ratification deadline, given that "regional EPA negotiations continue to face significant difficulties."

### **Unexpected outcome**

The news that negotiators had finalised the EU-ECOWAS EPA was unexpected, many experts commented to Bridges, given the various challenges that had emerged over the years.

For instance, one of the major difficulties in the EPA process came from the lack of integration within West Africa itself, and the two different economic structures in place in the region– the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (UEMOA/ WAEMU).

In addition, most ECOWAS members are least developed countries (LDC), which experts had warned gave them less incentive to conclude an EPA, since their LDC status would still have made them eligible for duty-free, quota-free market access under the EU's "Everything but Arms" scheme even if no deal was signed.

However the stakes were different for non-LDCs in the region, such as Ivory Coast and Ghana, which had agreed on an EPA with the EU in 2007 in order to maintain preferential access to the EU market. Nigeria – the region's largest economy – and Cape Verde, meanwhile, have no EPA with Brussels, but do currently benefit from the EU's Generalised System of Preferences (GSP).

### **Market access, development assistance**

Last October, ministers had pushed for the EPA negotiations to resume, after a prolonged stall in the talks. Resolving differences over market access offers and the EPA Development Programme (EPADP, known as PAPED in French) – a scheme meant to address the West African development needs with regards to the EPA – were flagged as being particularly important.

In the case of market access, West Africa had originally offered to open 70 percent of its market over 25 years. However, that proposal was reportedly deemed insufficient by the EU, which had pushed for an 80 percent market opening within 15 years.

Sources confirm that the two sides have agreed that West African countries will liberalise 75 percent of trade over a 20-year transition period.

This final level was backed by the decision of ECOWAS ministers to implement a regional Common External Tariff (CET) by 1 January 2015. However, some experts stress that the parallel developments of the new market access offer and the regional CET has not allowed trade officials the chance to determine how to best align the two.

With regard to development assistance, both parties agreed that the EPADP will need a set of accompanying measures and development assistance in order to help to build capacity, implement the EPA, and support domestic reforms.

The agreed assistance amount is €6.5 billion for the 2015-2019 period, lower than the €15 billion that West African countries had requested. However, some commentators have said that €6.5 billion could be enough to cover the costs of the programme's activities over that time.

"Now we have to define the conditions for disbursement to benefit from this funding... in order to allow our sub-region to be competitive and enhance its integration," said ECOWAS Commission President Kadré Désiré Ouedraogo, according to the Agence de Press Sénégalaise.

### **MFN clause**

Another topic that had proven particularly difficult in the negotiations was the Most Favoured Nation clause.

Brussels had originally requested that, should West Africa later grant preferential access to any other countries, it also provide the EU with the same treatment. However, West Africa had insisted that it wanted to retain the possibility of advancing its cooperation with southern countries.

Negotiators have reportedly agreed that West Africa will grant the EU any new favourable tariff treatment provided to another commercial partner, as long as the latter has a share of international trade higher than 1.5 percent and whose degree of industrialisation is above 10 percent in the year prior to the agreement's entry into force.

Experts say that these criteria could include preferences granted to partners such as India, China, and Brazil. Preferences granted to other African and ACP countries will be exempt from this requirement, however.

### **Agricultural subsidies**

The issue of agricultural subsidies has long been divisive, since the EU did not wish to include it within the EPA's scope. The two sides eventually agreed to ensure the transparency of their respective policies and domestic support measures.

To this end, Brussels will regularly report to West Africa its actual measures, including their legal basis, their nature, and the related amounts. Under the terms of the deal, the EU has also agreed to refrain from using export subsidies for farm goods exported to West African markets.

### **Compromises on non-execution, rules of origin**

The non-execution clause, which allows parties to suspend commitments in cases of human rights or democracy violations, had been another point of contention between the two sides.

West Africa had been against including in the EPA a clause that it termed as political, while the EU wanted to include the possibility of trade sanctions in the agreement. Sources say that the draft deal ultimately dropped this clause.

With regards to rules of origin, the EU has reportedly accepted West Africa's request in this area, including with regards to cumulation and the need for asymmetry, given the inequalities in economic development between the two sides.

ICTSD reporting; "L'UEMOA, la CEDEAO et l'UE trouvent un accord à minima sur les APE." Agence de Press Sénégalaise, 8 February 2014.

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## WORLD TRADE ORGANIZATION

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# WTO Members Begin Eyeing Options for Doha Work Programme

With the Bali ministerial now behind them, the process to develop a Doha "work programme" by year's end is beginning to gear up in Geneva, with WTO Director-General Roberto Azevêdo urging members last week to use 2014 to get the struggling negotiations "back on track."

Two months ago, WTO trade ministers were able to announce their first multilateral deal in nearly 20 years. The Bali package, named after the Indonesian island province where it was agreed, also marked the first deliverables from the Doha Round of negotiations, which have been underway since November 2001.

However, the deal in Bali – despite facing its own series of hurdles – covered only a few elements of the Doha Round, such as trade facilitation, leaving the more difficult subjects to be dealt with at a later time.

Ministers therefore directed WTO members in December to create a work programme that would outline the next steps for the Doha negotiations, with an eye to concluding the entire Round. The work programme would be developed in line with the guidance provided at the previous 2011 ministerial, where members were told to be flexible in their negotiating approaches in order to break the impasse.

### March General Council

Speaking to WTO members last Thursday at a meeting of the Trade Negotiations Committee, which is tasked with the overall Doha talks, Azevêdo said that he has directed negotiating group chairs to begin consultations with members to try to pinpoint which issues could move forward.

The Director-General has asked the chairs to report back on these findings at the upcoming meeting of the WTO General Council – the organisation's highest decision-making body outside the ministerial – on 14 March.

The negotiating group chairs will determine the format of the meetings, Azevêdo said, and he is imposing no set timeframe on this initial process. Both he and the chairs, he added, aim to approach these discussions "with a completely open mind" in order to hear the range of members' views.

However, as members begin their consultations, Azevêdo urged them to keep a series of six parameters in mind: preserving development as a central pillar; setting goals that are doable and realistic; recognising which issues are interconnected; being creative and open-minded; ensuring inclusivity and transparency; and maintaining a sense of urgency.

The latter, some trade analysts and officials have warned, could be particularly difficult in the year ahead, given that there is no looming deadline – such as the Bali ministerial – to spur discussions forward.

"There is real political momentum and we must build on it," Azevêdo told members, urging them to consider the success in Bali as an opportunity. "The work has just begun."

### **Bringing back the "core issues"**

While recognising the successes of the December ministerial, the Director-General warned that Bali's approach – advancing a deal focusing on the easier areas of the Round – would probably not work for future agreements.

Instead, members should be open to at least discussing the round's most challenging topics, even if they later decide that these are not yet ready for renewed negotiations.

"Most likely, any future multilateral engagement will require outcomes on agriculture," Azevêdo said last week, noting that the subject is a central pillar of the Doha Round. "Many delegations have been stressing that, if agriculture comes into play, then so do the other legs of the tripod: industrial goods and services."

A subset of WTO ministers who met in the Swiss resort in Davos last month had similarly agreed that these three areas – often referred to as the market access "trinity" – will need to feature in the upcoming talks. (See Bridges Weekly, [30 January 2014](#))

Whether or not to try and close the Round in one attempt, as members have tried to do in the past with the principle of the "single undertaking," or to instead pass a series of "early harvests," is another question for members in the coming year.

"Of course what we want to do is to find a path towards the conclusion of the Round," Azevêdo said on Thursday. "It may be that it can be done in one step – or we may need more than one step. Again that is something that we have to discuss."

Sources say that members so far have a range of views on how to approach the upcoming discussions. Some, like China, have advocated discussing the easier subjects first, while others, such as Barbados, have warned that going for the low-hanging fruit is unlikely to work a second time around.

"Let's start from something easier while deliberating on how to tackle the tough [issues]," Chinese Ambassador Yu Jianhua told fellow WTO members last week, noting that less than twelve months remain to create the Doha work programme called for in the Bali ministerial declaration.

Whether or not to include new issues in the upcoming discussions, or to stick to the topics currently outlined in the Doha mandate, is another question that is likely to feature prominently in the months ahead, sources say.

Some members, such as the African Group and Least Developed Country Group, repeated earlier concerns last week about bringing in "new issues" when the old ones remain unresolved. Sources familiar with the meeting say that Brazil, Canada, Mexico, and Japan were among those suggesting that new issues be considered.

Canada, for instance, reportedly mentioned the digital economy, investment, and environment and energy as topics for possible discussion. Costa Rica also raised competition policy as another area.

Others, such as the EU and US, also noted that the global trading environment is very different from when the Doha Round talks kicked off in 2001, with both suggesting that updated data be collected in order to better inform the negotiations.

Whichever way that members decide to move forward, many noted the need to steer clear of past traps that had prevented previous Doha efforts from succeeding.



"Following many years of negotiations, we should avoid repeating the mistakes of the past," EU Ambassador to the WTO Angelos Pangratis [said](#). "Defining a realistically doable work programme by the end of the year can be the most important step of our long term effort to restore fully the negotiating function of the WTO."

### **Bali implementation**

Another key question for 2014 will be on how to put the Bali deal into effect, a process that is already beginning to get underway. Meetings have been held in recent weeks on the subject, including a preparatory committee on trade facilitation, and a meeting of the Committee on Agriculture. (See Bridges Weekly, [6 February 2014](#))

Members in their interventions last week particularly highlighted the importance of putting the trade facilitation deal – the central pillar of the Bali package – into force quickly. Some [estimates](#), such as by the Peterson Institute for International Economics, have placed the potential annual gains from the pact at US\$1 trillion once the deal is in place, though other estimates have been more conservative.

To bring the deal into force, two-thirds of the WTO's membership must ratify it; the agreement will then apply to those members.

In the meantime, the committee tasked with administering the agreement will have to undertake a legal review of the pact; prepare a protocol of amendment to include it in the overall WTO Agreement; and begin receiving notifications of Category A commitments, which are those that members will implement as soon as the Trade Facilitation Agreement enters into force.

Providing the necessary support for developing countries to implement their trade facilitation commitments is another key area, as is determining what specific needs those countries have. Donor members and organisations have already met with the WTO Director-General on the subject.

ICTSD reporting.

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## PREFERENTIAL AGREEMENTS

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# Pacific Alliance Announces Tariff Elimination Deal

Leaders from the Pacific Alliance announced a major regional trade pact on Monday. Meeting in the Colombian city of Cartagena, members agreed to slash tariffs on 92 percent of products, with the remaining eight percent – including sensitive products such as bananas and coffee – to be phased out over a longer period.

The group counts Chile, Colombia, Mexico, and Peru as members, with Costa Rica set to take part as a full member next year. Panama and Guatemala could soon join their ranks.

The current participants boast over 200 million consumers between them, and together have an economic output equal to 35 percent of total GDP of Latin America and the Caribbean, while producing 55 percent of the region's total exports.

The nascent trading bloc was launched just under two years ago in June 2012, with a goal of facilitating unrestricted movement of capital, goods, and services, as well as people.

Colombian President Juan Manuel Santos welcomed the energetic pace set by negotiators. "I don't think there has been an integration process that has taken decisions so fast as the Pacific Alliance has done," he told the Financial Times following the announcement.

"We have a common vision on how to manage our economies, common attitudes regarding foreign investment, the role of the market in the economy, respect for private property," Santos added.

### Eyeing new partnerships

A key driver behind this vision is a desire to strengthen export capacity in global value chains, with a particular eye on nearby emerging Asian giants. Three of the participating countries – Chile, Peru, and Mexico – are already part of the 21-country Asia-Pacific Economic Co-operation grouping, with Santiago and Lima also involved in the ongoing Trans-Pacific Partnership negotiations. (See Bridges Weekly, [13 June 2012](#))

Looking at other trade arrangements, commentators have been quick to draw comparisons between the Pacific Alliance, still in its infancy, with decades-old neighbour Mercosur. The latter includes Argentina, Brazil, Paraguay, Uruguay, and Venezuela as full members.

Analysis by international bank Morgan Stanley suggests that the newer Alliance group will grow by an average of 4.25 percent in 2014, while other economists predict contraction for Venezuela, a recession for Argentina, and sluggish 2 percent growth for Brazil over the same period.

Many economists have suggested that the Latin American trade groups represent an ideological and economic divide in the region between free trade and state management. Brazil and Argentina in particular have drawn fire repeatedly from some of their international partners for currency and trade policies deemed to be protectionist.

Mercosur has, however, reportedly been working with the four Alliance members to gradually cut tariffs on a range of products and services. Just last week, Brazil's foreign minister Luiz Alberto Figueiredo indicated an interest in accelerating this process.

"We are interested in quickening the integration process," Figueiredo said before the Brazilian Senate foreign affairs committee. "We've talked with our friends in the Pacific Alliance to make it clear that the Mercosur universe is not restrictive or selective and we want full integration with the rest of the countries from the region, and other countries, such as the Europeans."

Moving forward, each of the Pacific Alliance countries must now ratify Monday's agreement, meaning that the actual elimination of tariffs within that group may not happen for several months, possibly not until next year, according to estimates by officials involved in the process.

ICTSD reporting; "Latin leaders to sign Asia-targeted trade pact," AFP, 11 February 2014; "Pacific Alliance: moving forward," FINANCIAL TIMES, 11 February 2014; "Latin Countries Forge Trade Accord With Eyes on Asia," WALL STREET JOURNAL, 10 February 2014; "Mercosur interested in trade integration with members of the Pacific Alliance, says Brazil," MERCOPRESS, 8 February 2014.

## IN BRIEF

## Australia Eyes July Repeal of Carbon Tax

The Australian government has confirmed that it hopes to repeal the country's controversial carbon tax by July, when the new Senate takes office. While legislation to repeal the tax was introduced in the Senate this week, the process is expected to face an uphill battle, as opposition politicians from the Green and Labor parties vie to save the measure.

Under the carbon tax, which targets Australia's largest emitters, prices were initially fixed at A\$23 (€16.43) per metric tonne of carbon during their first year, rising annually at a rate of 2.5 percent. Should the repeal effort fail, the tax will switch to a floating price emissions trading system (ETS) in 2015.

The carbon tax had been one of the most contentious reforms enacted by previous Prime Minister Julia Gillard. New Prime Minister Tony Abbott, who took office in September, has said that its repeal – along with that of the mining tax – will be the first priority of his government. (See Bridges Weekly, [12 September 2013](#))

Australia is one of the world's top per capita emitters, with most of the country's electricity being provided by coal, which is also one of its top exports. While environmental groups say that the tax is key to the goal of slashing national emissions by five percent by 2020, government officials claim that the tax has hurt Australian businesses and consumers by causing a major rise in energy prices, and argue that other measures would help more in reducing emissions.

"The carbon tax is not cutting emissions in any meaningful or significant way," environment minister Greg Hunt [said](#) last week, referring to a new government report which found that emissions dropped 0.3 percent in the year ending September 2013. "The carbon tax does not work – plain and simple."

The environment minister noted that the report, the latest version of Australia's National Greenhouse Gas Inventory, found that the tax costs A\$7 billion a year, or US\$6.31 billion at today's exchange rate. However, some politicians and environmental groups have questioned Canberra's interpretation of the data, as the report's emissions review includes sectors that are not covered by the carbon price.

"No amount of cherry picking of data can justify the Abbott government's ideological opposition to effective action on global warming," Australian Greens Leader Christine Milne [said](#) in response to Hunt's comments. "Unlike Direct Action, the emissions trading scheme is a long-term framework and it has started very well," she added, referring to the Abbott government's proposed replacement for the carbon tax.

ICTSD reporting; "Carbon tax debate to drag on in Senate," THE AUSTRALIAN, 10 February 2014; "Climate bills get limited air in Senate," AAP, 11 February 2014.

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## WIPO Genetic Resources Talks Advance, Though Differences Linger

Delegates meeting at the World Intellectual Property Organization (WIPO) last week made some limited progress in discussions on genetic resources and intellectual property rights, producing a new streamlined [draft text](#) to forward to the organisation's General Assembly in September.

However, the new [document](#) still contains many brackets on a range of important subjects.

These discussions are held under WIPO's Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC), which aims to develop an international legal instrument(s) that would protect genetic resources, traditional knowledge, and traditional cultural expressions.

### **Problematic disclosure**

One of the provisions that sparked the most debate last week was on the mandatory disclosure of the origin of genetic material used by patent applicants, or on which they seek patent claims.

While developing countries say that the requirement is essential for preventing biopiracy, some developed countries and industry groups argue that it could disincentivise innovation and be burdensome on patent offices and applicants.

According to the draft text, which still contains brackets in this area, each party shall require applicants to disclose the country of origin and source of the genetic resources and associated traditional knowledge. However, new language has also been introduced to the effect that patent offices must provide sufficient effective guidance to applicants on how to meet disclosure requirements.

The range of post-grant sanctions for non-compliance with the disclosure requirement and whether these include patent revocation remains unresolved.

### **Misappropriation**

The IGC also identified "preventing misappropriation of genetic resources and associated traditional knowledge" as the main policy objective of the proposed international instrument. For many years, developed countries had been reluctant to accept this concept as the key goal behind the WIPO discussions.

The widely-deliberated definition currently includes a US proposal that outlines what would not qualify as misappropriation – namely, any genetic resources and their associated traditional knowledge that have been attained lawfully. Some examples, they say, could include reading publications, reverse engineering, and inadvertent disclosure.

Another IGC meeting is scheduled for July, in the hopes of bridging the remaining differences before the General Assembly.

ICTSD reporting; "WIPO Genetic Resources Text Compiles Differences, Heads To General Assembly," IP-WATCH, 10 February 2014.

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## EVENTS & RESOURCES

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# Vacancy

The UN Environment Programme, on behalf of the Green Growth Knowledge Platform (GGKP), is hiring a short-term consultant to assist the GGKP Trade and Competitiveness Committee. Among other qualifications, applicants should have prior experience in empirical research, data analysis, and writing evidence-based reports and policy materials; an understanding of the knowledge gaps in the area of green growth; and a solid understanding of organisations and research institutions producing research in this area. The closing date for applications is 21 February. More information on the position and its requirements is available [here](#).

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# Events

## Coming Soon

18-19 February, New York, US. WATER, SANITATION AND SUSTAINABLE ENERGY IN THE POST-2015 DEVELOPMENT AGENDA. This event is one of three thematic debates that will be hosted in the coming months by UN General Assembly President John Ashe. These debates, together with three high-level meetings, are meant to contribute to the process of elaborating a post-2015 development agenda, including the Sustainable Development Goals (SDGs) This particular event will focus on water, sanitation, and sustainable energy. More information is available [here](#).

19 February, Beijing China. WORLD TRADE AND GLOBAL GOVERNANCE: A DIALOGUE WITH THE FORMER WTO DIRECTOR GENERAL. This lecture will feature former WTO Director-General Pascal Lamy, who will discuss his views on world trade and global governance based on his book "The Geneva Consensus." Lamy will also discuss a separate report called "Now for the Long Term," which was released in October by the Oxford Martin Commission for Future Generations, a group that he chaired. The event is being co-hosted by the School of Public Policy and Management of Tsinghua University and the Brookings-Tsinghua Center of Public Policy and the Center for Industrial Development and Environmental Governance. To learn more, please visit the Brookings [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.

14 February: Committee on Budget, Finance and Administration

17 February: Trade Policy Review Body – Overview of Developments in the International Trading Environment

25 - 26 February: Council for Trade-Related Aspects of Intellectual Property Rights

25 February: Working Party on GATS Rules

25 February: Working Party on Domestic Regulation

25 February: Committee on Specific Commitments

26 February: Committee on Trade in Financial Services

26 February: Dispute Settlement Body

26 February: Council for Trade in Services

### **Other Upcoming Events**

27 February, London, UK. THE CHANGING DYNAMICS OF GLOBAL ENERGY MARKETS AND THE IMPLICATIONS FOR RESPONSES TO SUPPLY DISRUPTION. This workshop, hosted by Chatham House, aims to bring key decision-makers together to discuss the implications of changes in global energy markets, in order to determine potential responses at national, international and industry levels to an oil supply disruption. Participants will also address possible options for improving security, such as by new governance arrangements. Attendance is by invitation only. To learn more, visit the Chatham House [website](#).

12 March, Geneva, Switzerland. TRADE AND THE SUSTAINABLE DEVELOPMENT GOALS. This event, hosted by the International Centre for Trade and Sustainable Development (ICTSD), will focus on the role that trade can play in achieving progress on various sustainable development objectives, particularly in the context of the post-2015 development agenda currently under discussion at the UN. This dialogue, and a subsequent one in New York, aim to connect the Geneva and New York policymaking communities by providing an update on the progress of the Open Working Group on Sustainable Development Goals and the context provided by the Millennium Development Goals. The second part of the dialogue will explore in more depth some of the potential intersections between trade policy and the sustainable development themes under discussion in New York. Attendance at this event is by invitation only. To learn more, visit the ICTSD [website](#).

21 March, Washington, US. SECOND ANNUAL CHERRY BLOSSOM SYMPOSIUM – TRADITIONAL KNOWLEDGE: IP AND FEDERAL POLICY. This event, hosted by American University's Washington College of Law, will focus on the linkages between intellectual property law and federal policy, specifically with regard to traditional knowledge. The symposium will address topics such as the discussions at the World Intellectual Property Organization's (IGC) Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore to establish international norms, along with the intersection of protection for genetic resources and research governance, among others. For more information, visit the event [website](#).

13-16 October, Geneva, Switzerland. WORLD INVESTMENT FORUM 2014: INVESTING IN SUSTAINABLE DEVELOPMENT. This year's World Investment Forum, hosted by the UN Conference on Trade and Development, will focus on the theme "Investing in Sustainable Development." The biennial event traditionally brings together heads of state, ministers, policymakers, global chief executive officers, and thought leaders for a discussion on key emerging investment-related challenges. More information will soon be available at the UNCTAD [website](#).

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## Resources

HAS HARRY REID KILLED OBAMA'S TRADE AGENDA? Published by the Peterson Institute for International Economics (February 2014). In this Petersons Perspectives interview, Gary Clyde Hufbauer addresses the ongoing debate in Washington over whether to renew Trade Promotion Authority, also known as "fast track," particularly given recent statements by high-ranking Democrats on the subject. Hufbauer addresses how the White House may have to proceed in order to salvage the initiative. To listen to the interview, click [here](#).

STATE OF SUSTAINABILITY INITIATIVES REVIEW 2014: STANDARDS AND THE GREEN ECONOMY. By Jason Potts, Matthew Lynch, Ann Wilkings, Gabriel Huppe, Maxine Cuninghame, and Vivek Voora for the International Institute for Environment and Development (IIED) (January 2014). This review, a collaborative effort across various organisations aims to provide an overview of the global market trends of 10 commodities and the 16 most prevalent standards initiatives that are potentially paving the way for more sustainable production and trade. The authors examine the governance, criteria coverage, and implementation practices of standards initiatives that are in place for the agriculture, forestry, and biofuels sectors. It is designed to serve as a strategic planning tool for businesses, policymakers, and stakeholders to help them build more sustainable supply chains. The report is available [here](#).

INEQUALITY IN POST-2015: FOCUS ON THE TARGETS, NOT THE GOALS? By Claire Melamed for the Overseas Development Institute (January 2014). This paper considers whether creating post-2015 targets to provide incentives for governments to address inequalities in specific areas might be more useful than isolating one overarching goal. Potential targets, the author says, could include reducing gaps in income, health, and education outcomes, among others. The publication is available [here](#).



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