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AGRICULTURE

WTO Negotiations: New Papers Open Old Rifts on Food, Farming

New negotiating papers tabled last week have reopened old rifts on farm trade rules and food security at the WTO, trade sources have said.

One of these submissions, which was put forward by the G-33 group of developing countries with sizeable populations of small farmers, [argues](#) against aspects of proposals shared informally by Paraguay and formally by Argentina recently. (See Bridges Weekly, [12 March 2015](#) and [19 February 2015](#))

A revised version of the G-33 paper clarified that the submission was "without prejudice to the position of Peru."

The other paper, which was tabled by the United States, calls for a review of countries' public stockholding policies for food security purposes, in order to help find a permanent solution to problems that several developing countries have said affect them in this area.

However, trade sources told Bridges that they did not think that the recent inputs had helped countries to bridge their differences.

"As of now, I don't think that talks are moving forward," said one.

More time needed

Trade officials shared some initial comments on the new documents at two informal meetings convened last Friday by New Zealand Ambassador John Adank, the chair of the WTO agriculture talks. Negotiators also said they needed more time to review the new submissions properly and consult their capitals.

While the G-33 paper is part of the Doha Round of trade negotiations, talks on public stockholding are taking part under a separate process, following an agreement at the WTO's Bali ministerial conference in 2013.

Negotiators have agreed to conclude a work programme on the remaining Doha issues by July – although sources questioned whether the spate of new submissions in the last couple of months was likely to enable governments to reach that goal.

"Nobody is very clear" on whether the deadline would be met, one developing country ambassador told Bridges.

G-33: "refocusing on development"

The G-33 argued that the Doha talks needed to "refocus" on development.

"The issues faced by small farmers in developing countries since the launching of Uruguay Round negotiations remain unresolved," the group's submission said, in a reference to the last round of global trade talks that ran from 1986 to 1994 and led to the establishment of the WTO.

The coalition argued that developing countries should be allowed to decide for themselves which agricultural products could be shielded from tariff cuts by designating them as "special products" and said that some of these should be exempt from any cut at all.

While the most recent draft Doha deal, tabled in 2008, would have allowed developing countries to do so, the recent submission from Paraguay envisaged a minimum ten percent cut on all tariff lines.

A separate paper from Argentina has proposed that negotiators put forward requests for greater access to other countries' markets, in exchange for trade concessions they would offer in return. As no agreed formulas would guide the negotiations, countries could also come under pressure to cut tariffs steeply on products that are otherwise considered sensitive.

Unlike the paper from Paraguay, which focuses solely on agricultural market access, the Argentine proposal also suggests the request-and-offer process for services and industrial market access.

The G-33 paper "is a reaction to the so-called re-calibration and simplification," said one delegate, referring to negotiators' efforts to "re-calibrate" the level of ambition in the Doha Round and reduce the complexity of proposed cuts to limits on tariffs and farm subsidies.

The Paraguay and Argentina proposals in fact "make it less doable," the source argued.

Safeguards: "accessible, operational, and effective"

The G-33 also argued that developing countries should be able to protect themselves from agricultural import surges and price depressions by temporarily applying an additional safeguard duty.

The 2008 blueprint for the Doha deal set out proposed rules for a "special safeguard mechanism" or SSM that would allow developing countries to protect their domestic producers – although controversy over the instrument was at least the proximate cause of the collapse in the negotiations that July. (See Bridges Weekly, [7 August 2008](#))

In their recent communication, the group argues that the new safeguard mechanism should be more "flexible and user-friendly" than the Special Agricultural Safeguard (or SSG) that was agreed at the end of the Uruguay Round. Most developing countries have been unable to use the SSG because of a clause that only made this tool available to members that converted non-tariff border protection measures into tariffs at that time.

"We're asking for something similar," one developing country negotiator told Bridges.

The G-33 nonetheless cautions that any new safeguard must be “accessible, operational, and effective.” Some sources said that the proposed SSM in the 2008 Doha draft text was subject to so many complex conditions that it would be hard to apply in practice.

US: review public stockholding policies

A US call for negotiators to “evaluate and review” countries’ public food stockholding policies has met with a critical response from a number of G-33 delegates.

The US suggested that countries should examine current schemes “to consider their efficacy as food security tools and their effects on trade,” as a step towards developing a “permanent solution” by year’s end. (See Bridges Weekly, [27 November 2014](#))

“The proposal is not focused on the mandate,” argued one developing country delegate.

Others suggested that there was not enough time to begin an in-depth review of how current public stockholding schemes functioned before the December deadline.

Washington has previously [said](#) that subsidised food purchased at government-set prices distort markets and are an inefficient way of achieving food security objectives. Direct transfers to poor consumers, such as those under its own “food stamps” scheme in the Farm Bill, are a better alternative, a US [submission](#) said last year.

Some developing countries nonetheless face particular challenges such as incomplete land ownership or tenancy records which could impede attempts to shift towards policy instruments that are widespread in developed countries. (See Bridges Weekly, [12 March 2015](#))

Wide gap remains

Adank told members that a “wide gap” between members’ positions remained.

“There is a clear need for further consultations aimed at getting deeper into the substance of a possible outcome,” the New Zealand ambassador told the meeting.

Several negotiators told Bridges they shared the chair’s perception. “I see only hardening of positions, especially the US and India,” one negotiator said.

ICTSD reporting.

PREFERENTIAL AGREEMENTS

TTIP: EU Officials Weigh ISDS Options as High-Level Meetings Continue

EU officials are now weighing potential ideas for addressing the controversial subject of investor-state dispute settlement (ISDS) in their trade talks with the US, with European Trade Commissioner Cecilia Malmström holding meetings in recent weeks with both EU parliamentarians and trade ministers to present some preliminary ideas.

Though the portion of the EU-US negotiations relating to ISDS and investment protections has been suspended since early 2014, the issue has remained at the forefront of TTIP-related public debate. (See Bridges Weekly, [23 January 2014](#))

EU member states have been divided in their opinions on ISDS, with Germany among the most vocal in expressing its scepticism. The US, for its part, has been insisting on the inclusion of investor-state dispute settlement provisions in TTIP, though the issue has also been divisive on the American side of the Atlantic.

EU trade chief: public consultation "not a referendum"

The European Commission had decided put the ISDS and investment protection talks on hold in order to conduct a public consultation on the subject, with the results of that process released this past January.

The report summarising these results indicated "huge scepticism" over ISDS, Brussels officials noted at the time, pledging to hold additional consultations before making any policy proposals. (See Bridges Weekly, [15 January 2015](#))

"The consultation was not a referendum even if the responses showed huge scepticism and concerns about the system," Malmström told members of the European Parliament's International Trade Committee (INTA) last week.

"What the consultation did do is allow us to understand the main concerns about the system and give us ideas for how to address them," she said, affirming that the Commission still holds the view that ISDS and investment protection rules should be negotiated under TTIP.

"The fact remains that no US law prohibits discrimination against foreign investors. Putting investment in the deal would close that gap, but only if the commitments are enforceable," Malmström explained, also noting that other US trading partners – such as Japan and Canada – have or will have access to investor protection on the American market.

The EU trade chief then outlined to INTA members a series of "preliminary ideas" from the Commission on ways to move forward with ISDS in the negotiations, while qualifying that these were not formal proposals.

For instance, in response to concerns over the potential implications of ISDS on governments' right to regulate, the Commission could push to include an article within the TTIP text that clarifies the right of governments to pursue public policy objectives, while adopting the level of protection they decide is necessary.

Furthermore, Malmström said, the Commission would like to see a clause explaining that rules on investment protection "offer no guarantee for investors that the legal regime under which they have invested will stay the same."

The functioning of tribunals was another area that was raised in the public consultation as needing improvements. The Commission is therefore suggesting that governments outline a "limited list of trustworthy arbitrators" who would be tasked with any investment disputes under the trade deal, and that these arbitrators meet certain qualifications.

Regarding concerns raised by both civil society and the private sector over the lack of appeal mechanisms in ISDS tribunals, the Commission is suggesting the establishment of an appeals body made up of permanent members.

Lastly, the EU executive would like to see TTIP clarify the relationship between domestic legal proceedings and those under ISDS.

"If anything contributes to the perception of ISDS as unfair, it's the notion that investors have a second chance to overrule the decisions of national courts," Malmström said.

Possible solutions could involve, for example, requiring investors to choose which forum to use before bringing a case, or instead to require investors to stop any domestic processes if they choose to pursue an ISDS ruling.

The EU Trade Commissioner is discussing the issue further with European Council trade ministers during an informal meeting in Riga this week, with the eventual goal of developing a common EU position on the subject. The Council had included ISDS and investment protection in the Commission's TTIP mandate, as long as the final outcome is in line with EU interests. (See Bridges Weekly, [16 October 2014](#))

April negotiating round

The US and EU, which together already have the world's deepest trading relationship, have been working toward a "fresh start" to their bilateral negotiations, now nearly two years old.

In this context, officials from both sides had outlined in February an "intense work schedule" for the coming months, with the next negotiating round set to be held in the Washington area in April. A subsequent round is then planned for July. (See Bridges Weekly, [12 February 2015](#))

Though the date of the April round has not formally been announced, Malmström met with US Trade Representative Michael Froman in Brussels last week to discuss the negotiations to date, with observers expecting the meet to give some additional political direction on the next stages of the talks.

Following their meeting, the two trade chiefs issued a joint statement on the importance of protecting public services in both the bilateral TTIP negotiations, as well as a separate endeavour known as the Trade in Services Agreement (TISA), a group which involves the US and the EU together with 22 other participants.

Various civil society groups have raised questions – and concerns – as to whether public services might be covered in the planned bilateral pact, and if so what that would entail.

In the statement, Malmström and Froman affirmed that any trade deals involving either party do not in any way limit domestic governments from providing services in areas such as water, education, and health, nor do they require government privatisation of services.

Furthermore, the officials said, "EU and US trade agreements do not impede governments' ability to adopt or maintain regulations to ensure the high quality of services and to protect important public interest objectives, such as the protection of health, safety, or the environment."

Malmström also highlighted the "considerable progress" that the two officials had made on advancing services-related negotiations, including ways to work toward tabling new services market access offers before the tenth round. The EU trade chief did not elaborate further, however, on what these offers might entail.

Services, together with tariffs and government procurement, are the three main areas under which TTIP negotiators are working on improving market access.

European Council calls for 2015 result

The European Council, which met on 19-20 March, [affirmed](#) that it is still hoping for a final deal this year and urged both parties to work toward this goal.

"The EU and the US should make every effort to conclude negotiations on an ambitious, comprehensive, and mutually beneficial agreement by the end of the year," said the Council, which is made up of the heads of state or government of the EU's 28 member states, together with the presidents of the Council and Commission.

Trade observers have suggested, however, that this date may not be realistic, given the various political decisions that still need to be taken, as well as technical work.

On the US side, the 2015 [edition](#) of the President's Trade Agenda – released earlier this month – indicated only that the Obama Administration "expects to make substantial progress in the TTIP negotiations," without outlining any target date.

The political climate in the US, particularly ahead of the 2016 general election, is also expected by many to affect the TTIP timeline. While the election is still over a year away, being scheduled for 8 November 2016, some potential candidates have already indicated their intent to run, with more expected. Due to US term limits, Obama cannot run for a third term, guaranteeing that there will be a new leader in the White House.

The merits of trade deals have already been at the forefront of recent Washington policy discussions, with lawmakers having spent the past several months wrangling over whether to renew an expired piece of legislation known as Trade Promotion Authority (TPA), and if so in what form. (See Bridges Weekly, [19 March 2015](#))

TPA allows the US executive branch to negotiate international trade deals – such as TTIP – and submit them to Congress for a straight up-or-down vote, without amendments. The policy also outlines congressional negotiating priorities for such agreements.

ICTSD reporting.

ENVIRONMENTAL GOODS

Environmental Goods Agreement Trade Talks on Track for Negotiation Stage

Talks towards securing a tariff-cutting deal on environmental goods are now ready to shift from technical discussions into a second negotiation stage, trade sources have confirmed after the fifth round held last week in Geneva, Switzerland.

This next negotiating stage would focus on whittling down a compilation of potential tariff lines to a final list of goods for tariff liberalisation under the Environmental Goods Agreement (EGA) negotiations, as the trade talks are formally known. A current draft compilation of most participants' indicative proposals made during the last eight months of scoping discussions includes nearly 600 tariff lines and goods.

To date the talks among the now 17 participating WTO members – both Turkey and Iceland formally joined the negotiations in the latest round – have covered products falling under ten categories of environmental goods since kicking off in July last year.

Last week's discussions focused specifically on possible products relating to the categories of environmental monitoring, analysis, and assessment (EMAA), environmentally preferable products (EPP), as well as resource efficiency.

Officials say this "category approach" is geared towards ensuring the environmental credibility of the overall agreement, in other words, that the eventual goods included have positive environmental applications.

Before this second negotiation stage begins, each participating member will formally put forward a list of product nominations by early April, officials confirmed last week. Participants' lists will collate their various indicative product proposals made during the categories discussions.

During the next EGA round, scheduled for the first full week in May, trade negotiators will then move line-by-line through a full compilation of all participants' product lists. This exercise will be geared towards streamlining proposals and starting to identify areas of consensus.

Officials said that they did not plan on using specific criteria to filter through the compiled list, although they may group similar products together, such as those related to LED lighting equipment.

At the launch last July, participants said that they plan to build on and add to a list of 54 tariff lines agreed to by the Asia-Pacific Economic Cooperation (APEC) forum in 2012. The 21-country APEC group has committed to lowering applied tariffs on these 54 tariff lines to five percent or less by the end of this year. (See Bridges Weekly, [10 July 2014](#))

March categories discussion

Sources said that last week's discussion on the three categories made good progress. Proposed products relating to EMAA reportedly garnered broad support. These include, for example, goods such as multimetres used to measure voltage, resistance, and current in electrical equipment.

Some officials have said that May's negotiations might kick off with EMAA-relevant products and then continue to move in reverse order through the categories discussed over the past eight months.

Several participants also put forward indicative nominations last week relating to the EPP category. While these proposals reflected differences in understanding between participants around the term "environmentally preferable," officials said that the category nevertheless proved useful, and helped to bring forward some nominations not made elsewhere. Some EPP goods tabled range from sealing devices, bamboo, and bicycles.

EGA negotiators were also briefed by experts from the Organisation for Economic Co-operation and Development (OECD) on various descriptions of environmentally preferable products and the potential benefits of liberalising trade in these.

According to the OECD, the EPP term was first defined at the international level in 1995 by the UN Conference on Trade and Development (UNCTAD) as products that cause "significantly less environmental harm" at some stage in their life cycle. Many countries have since adopted a variety of definitions for products considered environmentally superior, ranging from "environmentally friendly" to "green."

Regarding the resource efficiency category, some participants did not nominate in this category due to overlaps with previous rounds, for example goods related to energy efficiency discussed in January. (See Bridges Weekly, [5 February 2015](#))

Goods on the table

In addition to last week's categories, EGA participants had previously discussed products related to cleaner and renewable energy; energy efficiency; wastewater management and water treatment; environmental remediation and clean-up; noise and vibration abatement; air pollution reduction and mitigation; and solid and hazardous waste management.

Most EGA participants have come forward with indicative product nominations across the range of categories. Some duplicate nominations have been made between the categories, as well as between participants' nominations.

Countries such as Canada, the US, Japan, and Chinese Taipei are said to be among those that have made the most indicative proposals during the technical discussions.

Israel, which formally joined the EGA during the January round, as well as newcomers Turkey and Iceland have not yet made proposals. However, this was not a measure of these countries' ambition but rather due to their slightly later arrival to the talks, trade sources said.

The latest round saw China, which had previously not proposed any products, circulate its indicative list relating to nine out of the ten categories. This list reportedly includes around 70 tariff lines covering products related to water, air pollution, bamboo products, and high-efficiency goods, among others. In addition to these Beijing would also support the 54 tariff lines covered by the APEC agreement.

Based on the current indicative nominations, trade sources estimate that all 54 six-digit level Harmonised System (HS) subheadings from the APEC deal have been put forward during the various category discussions.

Parts of the APEC list are complicated, according to trade experts, because of the use of "ex-outs" to indicate that only one part of a particular HS subheading may be considered an environmental good.

EGA delegates have, however, said that they are focused on the 54 tariff lines in the broadest sense in order not to get caught up in APEC implementation.

Environmental services?

While EGA officials at the launch last July explained that the negotiations would initially be focused on reducing tariffs on environmental goods, some participants would also like to see issues related to environmental services and non-tariff barriers (NTBs) tackled further down the line.

During a lunchtime side-event discussion held last Friday by the Swedish National Board of Trade, researchers and panellists discussed how to liberalise trade in environmental services. Some differences of opinion emerged among participants and interventions from delegates, however, on whether to tackle these in the EGA or elsewhere.

Negotiations are also ongoing among a separate group of WTO members – although with some overlapping membership – on a proposed standalone pact known as the Trade in Services Agreement (TISA), designed to liberalise services trade in all sectors. Some EGA participants also involved in TISA would prefer to see environmental services addressed in the latter negotiation.

Canada has tabled a specific annex in TISA dedicated to environmental services. This proposal, however, has reportedly faced some resistance in the services-focused talks.

Some countries have reportedly said that a focus on environmental services alone may not be enough to cover all the services relevant for the delivery of environmental goods, such as engineering, maintenance, repair, training, and legal services.

The next TISA round will be held in April, and is expected to set the groundwork for a July stocktaking session that aims to provide more clarity on the perimeter of the future services agreement, including which of the various proposals on the table have most support. (See Bridges Weekly, [19 February 2015](#))

Next steps

Formal discussion on the institutional arrangements for the planned Environmental Goods Agreement, covering issues such as how to include some sort of review mechanism to periodically update the list of covered goods, will likely only take place sometime after the May round.

Talks on this review mechanism may be prompted by the eventual tabling of a draft text, which could be forthcoming from the EU, according to some other participants.

As agreed in January, two further sessions are scheduled for the coming months: one planned for 15-19 June and another for 27-31 July.

EGA participants have signalled a desire to successfully hammer out the main points of the deal in time for the WTO's Tenth Ministerial Conference, scheduled to take place from 15-18 December in Nairobi, Kenya.

That international meet will follow hot on the heels from the UN climate talks in the first part of the month. EGA officials have in the past [said](#) that addressing climate change is an important dimension of their planned trade deal, although these talks have no formal link to the UN Framework Convention on Climate Change (UNFCCC) process.

New members?

Sources said that, while no new members have formally requested to join, there might be a broader interest from some developing countries later on in the year as the UN climate talks approach. EGA officials have said that they continue to remain open to other WTO members joining the talks.

The EGA talks are a plurilateral initiative negotiated among a group of WTO members. Participants have said they plan to extend the agreement to the rest of the global trade body on a "most-favoured nation" (MFN) basis once the deal is concluded and if sufficient countries trading in the liberalised goods participate. Joining the talks before their conclusion, however, offers countries the opportunity to shape the terms of deal.

Meanwhile China reportedly told other EGA members last week that it would soon circulate a non-paper outlining the various development dimensions of the talks. Beijing said that this non-paper would, among other things, reflect on how to attract more developing country participation in the future.

ICTSD reporting.

DEVELOPMENT FINANCING

"Zero Draft" for UN Development Financing Talks Released

The co-facilitators of a process geared towards committing to development financing have released a [zero draft](#) of the outcome document for a high-level conference scheduled to be held in Addis Ababa, Ethiopia in July.

The document, published last week, pledges to establish a holistic financing framework to ensure future sustainable development and lists a series of eight areas for specific action.

These include domestic public finance; domestic and international private business finance; international public finance; international trade for sustainable development; debt and debt sustainability; systemic issues; technology, innovation, capacity building; data, monitoring, and follow up.

The outcome document of the Third Financing for Development Conference (FfD3), as the July meet is known, agrees to build on earlier financing commitments in the Monterrey Consensus and Doha Declaration. These represent the outcomes of previous FfD conferences in 2002 and 2008, respectively.

The document acknowledges, however, that the global economic outlook has changed substantially since the conclusion of these outcomes and also that current policy, financing, and investment patterns are not delivering adequately to promote sustainable development.

The zero draft is correspondingly geared towards supporting the implementation of the post-2015 development agenda and its planned sustainable development goals (SDGs). An introductory section of last week's document identifies key areas of synergy between the SDGs including agriculture, essential social services, infrastructure, investing in ecosystems, and supporting small and medium enterprises (SMEs).

The document will be discussed by UN members at a drafting session in New York in mid-April. At a previous session in January, delegates reportedly questioned how exactly the FfD3 outcome document would interact with the post-2015 process. (See BioRes, [6 February 2015](#))

Trade for sustainable development

As with previous FfD outcomes, the zero draft includes a specific action area dedicated to mobilising trade for sustainable development. Some commentators have suggested that Monday's draft streamlines some of the trade references made in a [non-paper](#) designed to facilitate January's discussions.

The non-paper had included several trade-related ideas that went beyond the SDG targets including the concept of trade financing, the alignment of the WTO's Aid for Trade initiative with regional and national strategies while addressing productive capacity constraints, and the incorporation of binding social, environmental, and human rights standards in investment agreements.

On this front, however, the zero draft pledges to improve safeguards in investment agreements, including a review of investor-state-dispute-settlement (ISDS) clauses, to ensure countries' right to regulate in areas such as employment and the environment.

The document also calls for an increase in Aid for Trade to developing countries, particularly the poorest. The WTO will hold its [Fifth Global Review](#) of Aid for Trade from 30 June-2 July, with this year's conference focusing on the theme of "Reducing Trade Costs for Inclusive, Sustainable Growth," given the post-2015 development agenda context.

The zero draft also proposes that governments hold an open and inclusive discussion on updating the definition for overseas development assistance (ODA) funds and on a proposed indicator for "total official support for sustainable development" (TOSSD).

Multilateral trade

The opening paragraph of this section provides a complementary narrative to the trade targets included in a list of 17 proposed SDGs. UN members are set to discuss these goals at a meeting in New York next week.

Building on previously used language, the document supports a universal, rules-based, and non-discriminatory multilateral trading system and "meaningful trade liberalisation" as an engine for promoting economic growth and sustainable development. Flanking policies will also be required to achieve these ends.

Acknowledging slow progress in the current Doha Round multilateral trade talks at the WTO, the document calls for a conclusion of these global trade talks, mirroring language found in the final proposed SDG on means of implementation (MoI). WTO members are currently working to meet a July deadline for finalising a work programme to conclude the Doha negotiations.

The document also urges members to ratify the WTO's Trade Facilitation Agreement (TFA) and implement a package of other outcomes also secured at the global trade body's December 2013 ministerial conference in Bali, Indonesia.

The TFA is geared towards smoothing customs and border procedures to help boost international trade flows. Trade facilitation issues were dropped from the proposed SDG framework during last year's negotiation process. (See BioRes, [23 July 2014](#))

Last week's zero draft reiterates a commitment found in the proposed SDGs to correct and prevent restrictions and distortions in global agricultural markets, including removing all forms of agricultural export subsidies and disciplining measures with equivalent effect.

The FfD zero draft also says that WTO members should reaffirm that special and differential treatment (S&D) is an integral part of WTO agreements, referring to the Bali ministerial decision on a monitoring mechanism for S&D provisions. This builds on a target listed under a proposed SDG on reducing inequality within and among countries.

The document reiterates a call found in the final proposed SDG to implement duty-free quota-free (DFQF) market access for all products originating from least developed countries (LDCs) in accordance with WTO decisions, including those taken in Bali.

Unlike January's non-paper, however, the zero draft does not specify that DFQF access should be provided to all markets of high- and upper-middle-income countries.

Regional trade

The zero draft underscores the importance of regional integration and regional trade agreements (RTAs) – a topic not covered in the SDG targets – but also flags associated policy tensions, according to some experts.

Compared with January's non-paper, the zero draft language is more positive around the role for RTAs in promoting growth and sustainable development. The January paper had said that a proliferation of such deals may not always foster positive economic, social, and environmental outcomes.

At the same time, the latest draft includes a commitment to work towards reducing fragmentation caused by international trade and investment agreements.

Domestic coherence

Alongside the role of international trade in fostering sustainable development outcomes, the zero draft also highlights the importance of a coherent domestic framework, calling on countries to implement policies and reforms to reap the potential sustainable development benefits of trade.

Examples of such policies can be found in other action areas in the document. The domestic public finance section, for example, refers to a need for transparent public procurement that reinforces sustainable development.

The elimination of harmful subsidies, including those related to fossil fuel production and consumption, are also referred to in the domestic public finance section.

According to experts, fossil fuel subsidies harm the environment by supporting conventional sources of energy, while causing distortions in world trade markets due to impacts on production costs.

Compared with January's non-paper, the zero draft no longer mentions the need to remove or reduce harmful fisheries subsidies. The new document does refer to trade issues in the broader call for WTO members to correct distortions in agricultural and fishery markets.

Experts have warned that fisheries subsidies contribute to overfishing of wild fish stocks – some 29 percent are harvested at a rate beyond biologically sustainable levels according to UN estimates – and are also trade distorting, often putting LDCs at a disadvantage in global markets.

ICTSD reporting.

WORLD TRADE ORGANIZATION

WTO Talks: ACP Group Proposes Work Programme "Elements," Pushes for Fisheries Outcome

The African, Caribbean and Pacific (ACP) Group of countries has tabled a series of elements that it says should define a potential WTO work programme on the Doha Round talks, according to a communication circulated by Barbados on the group's behalf earlier this month.

WTO members are currently trying to elaborate such a work programme ahead of a July deadline. The submission builds on the ACP Group's positions under the Doha Round talks regarding special and differential treatment (S&DT) proposals, agriculture, non-agricultural market access (NAMA), services, fisheries subsidies, and trade-related aspects of intellectual property rights.

The group has said that these outstanding issues, "at a minimum," are key to bringing the Doha Round trade talks to a close.

The core issues of the planned Doha work programme are likely to revolve around agriculture, non-agricultural market access, and services, though this does not mean that it would exclude other negotiating areas. (See Bridges Weekly, [26 February 2015](#))

Though the work programme discussions are still to be said at an early stage, WTO Director-General Roberto Azevêdo told ambassadors at a [meeting](#) last week that they "are continuing to make steady progress in terms of understanding the issues and each other's aspirations and limitations," while urging members to continue working to overcome the various challenges that lie ahead.

S&DT proposals

In its submission, the ACP Group has identified a selection from the original 88 proposals on special and differential treatment (S&DT) to have "economic and practical value."

Special and differential treatment has long been considered a crucial part of the Doha Round's development dimension. Originally created as an overarching mechanism to give preferential treatment to developing and least developed countries (LDCs), the measure aimed to help these countries more easily integrate into the multilateral trading system.

To this end, paragraph 44 of the Doha Ministerial Declaration that launched the Round in 2001 granted a mandate to review all S&DT provisions with a view to making them stronger, more precise, effective, and operational.

Agriculture

The ACP group's communication also highlights "tangible and binding" outcomes from the WTO's farm trade talks as essential for the Doha Round's conclusion, citing the importance of an agricultural trading system that is both "fair and market-oriented."

At the very least, the group has said, the work programme should preserve the gains in special flexibilities for least developed countries (LDCs), net food importing developing

countries (NFIDCs), and small and vulnerable economies (SVEs) that were contained in the December 2008 revised draft modalities text for agriculture – Rev. 4 in trade jargon.

The ACP countries have also stressed that a solution on cotton should be part of any Doha Round outcome, and that these agriculture-related results should be reached by this December's ministerial conference in Nairobi, Kenya.

The communication mainly reiterates the need to preserve flexibilities under the 2008 draft agriculture modalities related to domestic support, market access, and export competition.

The ACP's suggestions came just as Argentina formalised its own suggestion of adopting a request-and-offer approach for market access negotiations across agriculture, NAMA, and services. Paraguay has also circulated an informal non-paper suggesting a formula approach paired with request-offer for agricultural market access. (See Bridges Weekly, [12 March 2015](#))

NAMA

Regarding the NAMA talks, the ACP Group has placed a particular focus on the need to address non-tariff barriers (NTBs) in the negotiations, especially those that affect products that are important exports for developing countries. The submission says that a potential NTB package be built around ACP proposals, as well as those of other developing countries and LDCs.

The communication also reiterates that the NAMA talks should not require "full reciprocity" in the reduction commitments taken by developing countries and LDCs, in light of their specific circumstances and interests.

The group therefore called for the preservation of a core set of flexibilities for various developing country groups, as reflected in the December 2008 draft modalities text for NAMA, otherwise known as Rev.3, and says that any alternative tariff cut formulas should use such flexibilities as a starting point.

Services

Last month, several WTO members indicated concrete sectors and modes of supply where they intend to provide preferential treatment to LDC services and services suppliers during a high-level meeting held on 5 February.

Members agreed during that meeting that they would endeavour to notify their preferences formally to the WTO's Council on Trade in Services, specifying actual preferences by 31 July at the latest – a date that the ACP backed in its submission, while calling for improvements in some of the preferences suggested so far. (See Bridges Weekly, [12 February 2015](#))

On Mode 4, which is the mode of supply of most interest for LDCs as it involves the movement of persons across borders, ACP members have asked that special attention be paid to new commitments in contractual services suppliers and independent professionals across all sectors.

Fisheries

In its submission, the ACP Group also urged fellow WTO members to reach a deal in Nairobi on a fisheries package, calling the negotiations on fisheries disciplines a "central" component of the Doha Round's development dimension.

Recent discussions under the Rules Negotiating Group at the global trade body, which is tasked with the fisheries subsidies talks, have showed a continued divide among members on whether rules should indeed be considered a "core area" of the overall Doha Round talks.

According to the UN Food and Agriculture Organization ([FAO](#)), in 2011 28.8 percent of commercially important stocks were overfished, 61.3 percent full fished, and 9.9 percent underfished. Fish are the world's most traded food commodity, with fish exports worth almost US\$130 billion in 2012.

Further disciplines on subsidies in the fisheries sector, the ACP Group says, should include enhanced transparency and notification requirements on fisheries subsidies, along with limiting and progressively phasing out this type of support.

Regarding the latter, the communication lists, for instance, those subsidies provided to vessels undertaking fishing practices that significantly harm vulnerable marine ecosystems and habitats; subsidies provided to vessels engaged in illegal, unreported, and unregulated (IUU) fishing; as well as subsidies provided to any fishing vessel or fishing activity affecting overfished stocks.

The ACP Group also says that it remains committed "to explor[ing] broader disciplines" on fisheries subsidies provided that these incorporate "appropriate and effective" S&DT provisions.

ICTSD reporting.

DISPUTES

Disputes Roundup: WTO Panels Established in EU-Russia Tariff Row, Trade Remedy Cases

The past week has seen three new WTO dispute panels being established, including in the EU's high-profile challenge of Russia's tariff treatment of certain agricultural and manufacturing goods, following the latest meeting of the Dispute Settlement Body (DSB).

The other two cases both involve the use of trade remedies: the countervailing measures that the EU has imposed on certain polyethylene terephthalate from Pakistan, as well as anti-dumping measures imposed by the US on certain oil pipes and tubes from Korea.

EU-Russia tariff case advances

Following a second request from the EU, a panel has been established to hear the 28-nation bloc's complaint against Russia over alleged violations of the latter's tariff commitments ([DS485](#)).

Brussels had already tabled an earlier panel request last month, which Russia had rejected at a 10 March meeting of the DSB, saying that the issue could still be resolved through additional consultations. (See Bridges Weekly, [5 March 2015](#) and [12 March 2015](#), respectively)

The EU argues that Russia has applied duty rates on products such as paper, palm oil, and refrigerators that exceed its bound rates, which are the maximum tariff ceilings that Moscow agreed to respect when joining the WTO in August 2012.

The measures described by the EU include the application of duty rates of 10 or 15 percent, depending on the tariff line, in excess of the five percent bound rate, and duties being levied above those provided in Russia's schedule when the customs value is below a certain level.

Brussels says that these measures violate WTO rules, in particular Articles II: 1 (a) and II:1 (b) of the General Agreement on Tariffs and Trade (GATT) 1994. The EU also claims that the policies have hurt European exports of those products, which are worth approximately €600 million a year.

Panel to hear Pakistan-EU case on PET

Meanwhile, the EU's imposition in 2010 of definitive countervailing duties on imported polyethylene terephthalate (PET) from Pakistan will also be heard by a WTO panel. The duties were imposed following [investigations](#) launched in 2009, and amount to €44.02 per tonne.

PET is used in synthetic fibres, plastic bottles, and food containers. Pakistan's exports of the good were valued at just over US\$200 million in 2013, according to data from the Geneva-based International Trade Centre.

Pakistan had first filed a complaint in November ([DS486](#)) against those countervailing duty measures, citing both the duties themselves as well as certain aspects of the underlying investigation. Islamabad had then submitted a first request for a WTO panel to hear the case in February, which Brussels rejected at the time.

Pakistan claims that EU acted inconsistently with WTO rules, in particular the Subsidy and Countervailing Measures Agreement (SCM) and Article VI of the GATT 1994, in making the determinations that led to the imposition of the duties.

In particular, Pakistan argues the EU erred in the determination that the Manufacturing Bond Scheme (MBS) and Long-term Financing of Export-Oriented Projects Programme (TF-EOP), were countervailable subsidies that were contingent upon export performance.

In the case of the latter programme, Pakistan claims the EU also failed to explain adequately the application of the method to calculate the benefit, chose an inappropriate interest benchmark for calculating the amount of subsidy, and failed in its allocation of the subsidy amount.

Among other concerns, Pakistan's complaint also cites the lack of causal link between the allegedly subsidised imports and the material injury suffered by the EU domestic industry.

In Pakistan's view, the EU's analysis did not account for other known factors that may have caused injury, such as imports from other sources or increased domestic competition, as well as the effects of the economic downturn and plunging oil prices.

Korea-US oil pipe dispute moves forward

Last December, Korea had filed a complaint against US anti-dumping measures on imported oil country tubular goods (OCTG), which generally include pipe and tube products used in the petroleum industry, such as drill pipes, pipe casings, and oil pipes. ([DS488](#))

Korea had then filed its first request for a panel last month, which the US rejected during the 10 March DSB meeting.

The US investigations at issue had led to the determination of final dumping margins of 15.75 percent and 9.89 percent for mandatory respondents Hyundai HYSCO and NEXTEEL Co., Ltd., respectively. All other producers/exporters in Korea received a final dumping margin of 12.82 percent, according to a [factsheet](#) issued by the US Commerce Department.

Korea claims that US laws and administrative procedures related to these anti-dumping investigations violate Washington's obligations under WTO rules, in particular certain provisions of the Antidumping Agreement and GATT 1994.

For example, Korea claims that US erred in determining normal value by disregarding a mandatory respondent's actual sales prices to any third country market. Furthermore, in calculating constructed value profit, Washington investigators allegedly relied on wrong information, ignored some evidence, and disregarded actual data.

Seoul has also cited a series of procedural flaws in Washington's trade probe that, in its view, violated Korean exporters' right to due process.

Next steps

Those panels that have now been established should be composed within the next 20 days, according to WTO rules, with reports then released within the following six months.

ICTSD reporting; "Pakistan takes EU to WTO over PET trade," REUTERS, 5 November 2014.

EVENTS & RESOURCES

Events

Coming Soon

25-26 March, Brussels, Belgium. WORKSHOP ON INDICATORS AND DATA FOR CLIMATE RESILIENT DEVELOPMENT: FROM DATA TO INFORMATION AND KNOWLEDGE TO POLICY ACTIONS. This workshop, organised by the European Commission's Joint Research Centre Institute for Environment and Sustainability (JRC-IES) and the Climate Change Unit of the Directorate-General for International Cooperation and Development (DG DEVCO C2), is part of a greater effort by the Global Climate Change Alliance's Flagship Initiative (GCCA+) to enhance policy discussion and action regarding climate change issues. The workshop aims to outline a set of indicators and data sets for measuring climate resilient development in areas such as natural hazards, vulnerability, and mitigation, among others. For more information about this event, please visit this [website](#).

26-27 March, Berlin, Germany. BERLIN ENERGY TRANSITION DIALOGUE: TOWARDS A GLOBAL ENERGIEWENDE. This dialogue, coordinated by the German federal government, aims to identify energy challenges on a global industrial scale and design policies to combat these challenges and further the Energiewende, or energy transition. The objective of the conference is for participants to share their experiences regarding renewable energy so that policymakers may learn from proven solutions and work to implement similarly effective policies. For more information about this event, please visit this [website](#).

27 March, Buenos Aires, Argentina. C40 LATIN AMERICAN MAYORS FORUM. The C40 Cities Climate Leadership Group and the city of Buenos Aires, Argentina are hosting a one-day meeting on the role of local government leadership in climate change policy. Attending mayors from the region will have the opportunity to discuss effective practices, to consider the possibility for collective strategies, and to pledge their commitment to climate change in accordance with the Compact of Mayors. For more information about this event, please visit this [website](#).

27-29 March, Addis Ababa, Ethiopia. HIGH-LEVEL CONFERENCE ON THE DATA REVOLUTION IN AFRICA. This conference, themed "Setting the scene for a sustainable development agenda powered by Data Revolution in Africa," is co-organised by the African Union Commission (AUC), the UN Economic Commission for Africa (UNECA), the African Development Bank (AfDB), and the UN Development Programme (UNDP). The meeting will address topics such as the role of data in Africa in achieving the planned Sustainable Development Goals (SDGs), the areas in Africa lacking data access, and the ability of data to affect local-level change. The objectives of the conference are to establish a set of principles to fuel the data revolution in Africa and to provide short, medium, and long-term action plans for this revolution. For more information on this event, please visit this [website](#).

30 March, New York City, US. HIGH-LEVEL INTERACTIVE DIALOGUE: THE INTERNATIONAL DECADE FOR ACTION, 'WATER FOR LIFE': PROGRESS ACHIEVED AND LESSONS LEARNED FOR SUSTAINABLE DEVELOPMENT. In partnership with UN Water, the President of the UN General Assembly (UNGA) will host a High-level Interactive Dialogue on the Decade for Action, 'Water for Life, 2005-2015', a resolution adopted by the UNGA in 2014 to further efforts in achieving the sustainable development of water resources. The event will review the successes and failures of the Decade in terms of sustainable water management and will draw from lessons learned to establish a

comprehensive approach to water sustainability for the post-2015 development agenda. For more information about this event, please visit this [website](#).

30-31 March, Geneva, Switzerland. MULTI-YEAR EXPERT MEETING ON INVESTMENT, INNOVATION AND ENTREPRENEURSHIP FOR PRODUCTIVE CAPACITY-BUILDING AND SUSTAINABLE DEVELOPMENT, THIRD SESSION. This meeting, hosted by the UN Conference on Trade and Development (UNCTAD), will give experts the opportunity to examine the role of entrepreneurship in enhancing productive capacity-building and sustainable development in developing countries. Participants will collaborate to develop ideas for strategies and programmes to address national issues in developing countries and economies in transition. For more information on this event, please visit this [website](#).

30 March-1 April, New York City, US. ECOSOC INTEGRATION SEGMENT 2015. The 2015 UN Economic and Social Council (ECOSOC) Integration Segment will convene under the theme of "achieving sustainable development through employment creation and decent work for all." Government officials, UN representatives, the tripartite constituents of the International Labour Organization (ILO), and professionals from civil society and the private sector will come together to discuss how creating quality jobs can contribute to economic, social, and environmental areas of sustainable development. The Segment will also outline viable policy choices as well as potential challenges that may arise as a result of such policy implementation. For more information, please visit the event [website](#).

WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO members and accredited observers only.

30 – 31 March: Committee on Regional Trade Agreements

2 April: Sub-Committee on Least-Developed Countries

Other Upcoming Events

17 April, Geneva, Switzerland. THE EVOLVING LANDSCAPE OF CLEAN ENERGY GOVERNANCE: IMPLICATIONS FOR INTERNATIONAL TRADE. This event, organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the Energy Charter Secretariat, will discuss the changing energy governance landscape, particularly in light of the expected adoption of the International Energy Charter in May and the discussions among a set of WTO members for an Environmental Goods Agreement (EGA). To learn more about this policy dialogue, please visit the ICTSD [website](#).

8-9 May, Martinique. ISLAND ENERGY TRANSITIONS: PATHWAYS FOR ACCELERATED UPTAKE OF RENEWABLES. The International Renewable Energy Agency (IRENA) and the French government, in cooperation with the regional government of Martinique, have organised a meeting on advancing the usage of renewables on islands. The forum will focus on topics such as investment potential for renewable resources, the reduction of electricity costs using waste-to-energy systems, and the implementation of renewable-based desalination, which transforms sea water into fresh, usable water. The meeting will also look at the challenges, including high installation costs and small market size, faced by islands in their efforts to transition to renewable energy. For more information about this event, please visit this [website](#).

20-21 May, The Hague, The Netherlands. INTERNATIONAL ENERGY CHARTER MINISTERIAL. During this two-day event, those delegations that are authorised to approve/sign the International Energy Charter will do so during this ministerial conference. This document serves as a declaration of political intent, with the goal of improving energy cooperation among those who have signed it. The charter was negotiated among approximately 80 states throughout 2014. To learn more about this event, please visit the International Energy Charter's [website](#).

30 June – 2 July, Geneva, Switzerland. FIFTH GLOBAL REVIEW OF AID FOR TRADE: REDUCING TRADE COSTS FOR INCLUSIVE, SUSTAINABLE GROWTH. This event, hosted at WTO headquarters, will focus on the various actions underway to reduce trade costs, at levels ranging from the national, bilateral, regional, and multilateral, as well as the private sector and non-governmental. Participants will be asked to consider which actors are involved in what; how the issue of trade costs is being addressed by national governments and regional organisations in their planning; and whether sufficient progress has been made, and if not, how to improve it. To learn more, visit the WTO [website](#).

24-28 August, The Hague, Netherlands. SUMMER PROGRAMME ON INTERNATIONAL AND EUROPEAN ENVIRONMENTAL LAW. Organised by the T.M.C. Asser Instituut in cooperation with the European Environmental Law (EEL) Network and The Hague Environmental Law Facility (HELF), the second Summer Programme on International and European Environmental Law consists of a five-day programme of interactive lectures and a study visit to the International Court of Justice. This year's programme aims to enhance practical knowledge about climate change in the context of the legal aspects regarding sustainable energy, the current state of sustainable finance, the role of trade agreements in promoting sustainability, and other related topics. For more information about the programme, please visit this [website](#).

Resources

SYNTHESIS REPORT: CHINA'S LOW-CARBON READINESS AND COMPETITIVENESS 2015. Published by the International Institute for Sustainable Development (IISD) (March 2015). This report is a result of a collaboration between IISD, the Swiss State Secretariat for Economic Affairs (SECO), the Chinese Ministry of Commerce (MOFCOM), and Chinese industrial development zones (IDZs). The project was aimed at identifying low-carbon policies that will affect competitiveness and to apply this knowledge to facilitate China's transition to a lower carbon, more sustainable economy. The publication outlines the research results, notable trends, and potential areas for further action in this field. The entire report can be accessed [here](#).

ASEAN FINANCIAL INTEGRATION. By Geert Almekinders, Satoshi Fukuda, Alex Mourmouras, and Jianping Zhou for the International Monetary Fund (IMF) (February 2015). This working paper examines the prospects for financial and economic integration of countries involved in establishing the Association for Southeast Asian Nations (ASEAN) Economic Community. The authors project that ASEAN integration will follow a gradual process and that as integration advances, it could potentially help raise real incomes and narrow the economic gap between ASEAN countries and the rest of Asia. The paper proposes that policymakers within ASEAN make investment in financial infrastructure a priority and draw from the experience of advanced regions, while relying on a flexible policy framework. The working paper can be accessed [here](#).

SERVICES AND GLOBAL VALUE CHAINS – SOME EVIDENCE ON SERVICIFICATION OF MANUFACTURING AND SERVICES NETWORKS. By Rainer Lanz and Andreas Maurer of the World Trade Organization (February 2015). This working paper evaluates the role of services in international trade from the perspective of global value chains (GVCs), meaning the range of processes required to bring a product from its conception to the buyer. The paper examines conceptual and measurement challenges associated with services networks based on evidence obtained through surveys, value-added statistics, and a case study on the film industry. Although it finds that services networks are generally less fragmented internationally as opposed to goods value chains, the report also notes that a more advanced statistical approach is required to fully capture the international services fragmentation. The full paper can be accessed [here](#).

THE ROLE OF THE NATION-STATE IN ADDRESSING GLOBAL CHALLENGES: JAPAN-UK PERSPECTIVES. Published by Chatham House (March 2015). This Conference Report follows the second seminar in the UK-Japan Global Seminar Series, which took place in Tokyo on 2-3 October 2014. The seminar and this report analyse how public opinion, individual leadership, and governmental and non-governmental organisations in Japan and the UK can contribute to building an effective response to global challenges including: failing states, natural and man-made disasters, and democratic transitions. The paper also evaluates the effectiveness of current institutional structures in combatting similar global and national issues. The full report can be accessed [here](#).

OECD ECONOMIC SURVEYS: UNITED KINGDOM 2015. Published by the Organisation for Economic Co-operation and Development (OECD) (February 2015). This latest OECD Economic Survey of the United Kingdom reviews the current state of the UK's economic and political climate. The report finds that growth in the UK increased substantially in 2014 as a large result of effective domestic policies, including expansive monetary policy and measures to boost lending. According to the survey, the maintenance of this economic expansion requires an increase in productivity growth, which will be a key challenge for the UK over the next few years. The full report can be accessed [here](#).

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