

BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 20, ISSUE 7, 25 FEBRUARY 2016

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ASIA-PACIFIC

Obama Sets Sights on 2016 TPP Approval, Despite Political Landscape

US President Barack Obama said on Monday that he was "cautiously optimistic" that Congress will be able to pass the Trans-Pacific Partnership (TPP) Agreement, pledging to submit the necessary legislation for lawmakers' approval this year.

"We're going to sign to enter this agreement, presented formally with some sort of implementation documents to Congress at some point this year," he [told](#) the National Governors Association. "And my hope is, is that we can get the votes."

The TPP was signed earlier this month by trade ministers from 12 Pacific Rim countries, a group that covers approximately 40 percent of global GDP. (See Bridges Weekly, [11 February 2016](#))

Of these 12 countries, the US makes up the largest economy in the talks, with its ratification therefore being crucial in order for TPP to meet the necessary threshold to enter into force. Under the terms of the trade pact, the first-best scenario for ratification involves all 12 signatories passing the deal in their respective legislatures within two years. Otherwise, at least six economies making up 85 percent of the group's GDP must do so. (See Bridges Weekly, [12 November 2015](#) and [8 October 2015](#))

However, congressional leaders have lately indicated that the trade pact is set to face an uphill battle in Washington, and not just because of political timing.

Speaker of the House Paul Ryan, the Wisconsin Republican who helped draft the 2015 Trade Promotion Authority legislation when he served as chair of the Ways and Means Committee, said earlier this month that the current vote count does not bode well for the trade deal.

"I don't think the votes are there right now because of the concerns about what's in the TPP," he told journalists on 11 February, in comments reported by CBS News.

"The point is we shouldn't bring something up if we're not confident that we have the support there for it," he continued, arguing that it is the White House's task to shore up the necessary backing to get the deal passed.

The renewed, revised version of Trade Promotion Authority (TPA) was enacted into law last summer, following a heated congressional fight that brought front and centre the concerns both in Washington and among the wider American public over the TPP and other trade pacts. (See Bridges Weekly, [2 July 2015](#))

TPA sets both the priorities that international trade pacts must meet, as well as the terms for securing "fast track" approval procedures for voting such deals through Congress – in other words, a straight up-or-down vote, without amendments by lawmakers.

Trade enforcement bill

In separate, though related, news, Obama signed into law on Wednesday the Trade Facilitation and Trade Enforcement Act of 2015, after the deal obtained Senate approval earlier this month. The trade enforcement pact, which had been part of a bundle of trade bills – including Trade Promotion Authority – under consideration last year, will entail a major revamping of Washington's customs law.

"The President has been clear that our trade agreements must allow our workers and businesses to compete fairly with the rest of the world, and where that is not happening, we have and will continue to take action," [said a statement](#) from the White House Press Secretary following the Senate's passage.

Calling the legislation "an important milestone in our trade agenda," the statement stressed the legislation's potential to improve the enforcement of trade-related laws, including "unprecedented new tools to address unfair currency practices."

The [currency-related provisions](#) in the bill includes a set of definitions for what constitutes "currency manipulation," as well as requirements for the US Treasury Secretary to report to Congress every six months "a report on the macroeconomic and currency exchange rate policies" of all major US trading partners.

The amendment also requires the US President to undertake "enhanced bilateral engagement" – with the potential to take additional remedial steps – with any countries that are found to be manipulating their currencies.

Notably, the final Trade Promotion Authority (TPA) enacted last year did not include enforceable currency manipulation terms, despite efforts by some US lawmakers to do so. At the time, American finance officials had warned that doing so would ruin the prospects for completing the TPP.

After the TPP negotiations were concluded last year, the 12 countries involved issued a [joint declaration](#) through their finance ministers committing themselves to setting up a currency forum – with annual meetings – aimed at improving their cooperation on macroeconomic issues. (See Bridges Weekly, [12 November 2015](#))

Whether the passage of this additional enforcement legislation will ease some of the remaining concerns among US lawmakers about the TPP, including on currency, remains unclear.

White House presses on, despite election politics

Another factor looming over the TPP ratification process is the ongoing US election process, with Republican and Democratic candidates' sparring amongst themselves for their respective party's nomination – and later, the White House.

At press time, two Democratic candidates and five Republican candidates remained in the running, after primaries held in Iowa, New Hampshire, South Carolina, and Nevada. Next week's "Super Tuesday" primaries – held concurrently across various states and territories – could potentially be a game-changer for both parties going forward.

Of those candidates remaining, both Democratic candidates have raised concerns over the TPP, as have some of the leading Republican contenders, casting doubts over whether the deal would receive the necessary backing to secure ratification under the next president and Congress.

The White House has, for its part, acknowledged that the campaign rhetoric – as well as other content-related compromises that have sparked concerns from US lawmakers, such as the [tobacco carve-out](#) agreed in TPP – could create some complications going forward.

"The presidential campaigns have created some noise within, and roiled things a little bit within the Republican Party as well as the Democratic Party around this issue," said Obama. "I think we should have a good, solid, healthy debate about it."

While TPP has arguably attracted the most attention, another major pact – the Transatlantic Trade and Investment Partnership (TTIP) being negotiated with the EU – is also trying to make significant strides during Obama's final year in office, despite the election-year hurdles. (For more on TTIP, see related article, this edition)

An [annual White House report](#) pegged TPP – as well as other planned trade deals, such as the Trade in Services Agreement (TISA) and TTIP – as having the potential for "a large effect on output."

The 22 February report cited the findings from a Peterson Institute for International Economics study, which indicated that the TPP could yield a boost in US real incomes – while also warning that even a one-year delay in implementation could yield costs of US\$94 billion.

"The complicated global economic environment underscores the importance of the President's trade agenda in opening new markets and ensuring a level playing field for US firms," the White House report said, referring to the TPP as the "centrepiece of that agenda."

ICTSD reporting; "Speaker Ryan: Not enough votes for TPP trade deal," CBS NEWS, 11 February 2016; "Senate Sends Sweeping Trade Enforcement Bill to Obama," THE NEW YORK TIMES, 11 February 2016.

TRADE AGREEMENTS

TTIP Twelfth Round Gets Underway, Amid Protests and Timing Questions

The [twelfth round](#) of US-EU trade and investment talks is well underway in Brussels, Belgium, after a tumultuous start that saw protests disrupt the beginning of the meet.

The 22-26 February meet is the first such gathering of 2016, a year that is increasingly being touted as a pivotal one for the Transatlantic Trade and Investment Partnership (TTIP), as the proposed deal is known – particularly given the impending change in leadership in the United States.

The TTIP talks were launched nearly three years ago, with the goal of reaching a pact by end-2014 that would yield both market access gains and key advances in regulatory cooperation and coherence. (See Bridges Weekly, [20 June 2013](#) and [18 July 2013](#))

The two sides already have the world's largest trading relationship, and have said that a completed TTIP deal could both yield significant commercial gains while also strengthening their geopolitical partnership in the face of current and future challenges.

Along with the pressure to ramp up the talks, whose momentum has long been decried as lagging, this round is also expected to be notable given that it will be the first formal discussion of the EU's full proposal for a TTIP investment court system.

The European Commission put this proposal together in an attempt to answer public concerns over the shortcomings seen in previous investor-state dispute mechanisms included in earlier agreements, and has said that it hopes this could serve as a model for an international investment court system. (See Bridges Weekly, [17 September 2015](#))

Regarding market access, talks are slated to continue on updated goods and services offers. However, while public procurement offers had previously been expected for this round, these are now reportedly expected next week, for discussion in March.

Froman: Political will needed from "both sides"

EU officials have repeatedly said that they hope to see a concluded TTIP before US President Barack Obama leaves office in January 2017 – in other words, before the end of this year. (See Bridges Weekly, [21 January 2016](#))

Doubts over this timeline were recently raised on the US side, however, after White House Press Secretary Josh Earnest suggested that a TTIP deal under Obama's tenure was unlikely – and that Washington will instead be working to make as many advances as possible before a change in leadership. (See Bridges Weekly, [11 February 2016](#))

In the weeks since, US officials have sought to clarify their expectations on timeline, while placing the onus on both sides to reach the desired result.

"The Obama Administration is prepared to make every effort to conclude TTIP, but to do so, we need both sides to apply the necessary political will," [said](#) US Trade Representative (USTR) Michael Froman to a Munich audience earlier this month.

Brexit fears, other challenges

The US trade chief also weighed in on various challenges facing the 28-nation EU, including the prospect of a "Brexit" pending the results of an upcoming June referendum.

"Obviously, the decision about the UK's role in the EU is up to the British people, but as the President has said, we value a strong UK in the EU," said Froman. (For more on "Brexit," see related story, this edition)

Building public support within the European Union is another major obstacle, which EU Trade Commissioner Cecilia Malmström referred to [during a speech](#) in Austria this week.

"Concerns cover many issues, but at the core is the idea deals like TTIP will force Austrians to change their way of life," she said in Vienna to the Austrian Chamber of Labour.

"People in this country have been worried that by cooperating more with the US on issues like these we will lead to lower standards of food safety – including by allowing products like GMOs or hormone beef. Here too, we have listened, learned, and changed," she added, outlining a series of steps that Brussels has taken in an effort to address these concerns.

Among the steps taken to address this, she noted, was a three-part pledge by all 28 members of the College of Commissioners last autumn that included commitments to never lower consumer protection, food safety, or environmental standards through trade pacts; that any advances through such agreements in regulation would only be to improve these; and that no deal will prevent the EU from taking future steps to protect either consumers or the environment.

The US' top diplomat has similarly reiterated in recent weeks that Washington has no intention of convincing Brussels on making any concessions that would unravel such protections.

"Nothing in TTIP – nothing requires Europe to reduce or undo important regulations or weaken existing standards. That is false," [said](#) US Secretary of State John Kerry in Munich earlier this month.

"On the contrary, the agreement will underscore our support for the inclusion of high environmental or labour standards in trade agreements, just as we have done in the Trans-Pacific Partnership," he added.

Whether these assurances and others will be enough to address public concerns within Europe – and eventually win the support of EU lawmakers should an agreement be negotiated – remains unclear.

Indeed, this week's round began with [protests from Greenpeace](#), the environmental advocacy group, with activists reportedly blocking entry to the building where the meetings were being held in a bid to delay the start of the talks.

US presidential primaries

Meanwhile, the presidential primary process is already well underway in the United States, which has in turn led to an escalation in the rhetoric on controversial issues, including on trade.

While candidates on both sides have generally focused their trade comments on a different multi-country agreement – the Trans-Pacific Partnership (TPP), which Obama is pushing to see ratified this year – both the rhetoric and scheduled change in governance has stoked fears among proponents that any delay in completing an EU-US pact could be hugely damaging to TTIP's long-term prospects.

"It is urgent that the text of the agreement be finalised this year," said Tim Bennett, Director-General/CEO of the Trans-Atlantic Business Council, in a [recent blog post](#) for Emerging Europe.

"2017 will be a year of personnel transition in the US Administration regardless of who wins the November presidential election," he added, noting also the expected elections in France and Germany that year, as well as the time it will take to go through the necessary legislative processes on both sides.

"That's far off for most [small and medium-sized enterprises], many of which will struggle in the current global slowdown," said Bennett.

ICTSD reporting; "TTIP's tell-tale 12th round?" POLITICO, 22 February 2016; "EU, US kick off new round of trade talks marred by Greenpeace protest," EUROPE ONLINE MAGAZINE; "EU aims for free trade pact before Obama goes," EU OBSERVER, 22 February 2016.

INTELLECTUAL PROPERTY

After Hiatus, WIPO IGC Resumes with Intense Debate over Genetic Resources, Disclosure

The 29th session of the World Intellectual Property Organization (WIPO) Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) got underway from 15-19 February with a new chair, Ian Goss from Australia, allocated the difficult task of bridging diverging views on the protection of genetic resources.

Central to the negotiations are attempts to prevent misappropriations or "biopiracy" of genetic resources and associated traditional knowledge, including patents over research and development (R&D) for using such materials for pharmaceuticals, agricultural innovations, crop protection, biotechnologies, cosmetics, and other industries.

The IGC process has intensified following the 2010 agreement of the *Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity*. (See Bridges Weekly, [3 November 2010](#)) The committee has also been working on consolidated documents formally since that year.

Back in action

The IGC has been on hiatus since the 2014 WIPO General Assembly, when delegates could not agree on the new mandate and work plan for the next biennium. This hiatus was spurred by earlier disagreement over whether the text-based negotiations had advanced sufficiently to hold a diplomatic conference in the year(s) immediately following. (See Bridges Weekly, [2 October 2014](#))

At the time, several countries including Canada, Japan, South Korea, and the EU, had expressed concern that the three "consolidated documents" on genetic resources, traditional knowledge, and traditional cultural expressions were heavily bracketed and not sufficiently advanced to move to a diplomatic conference, while also questioning the scope of the IGC's mandate to actually develop legal texts.

Many developing, "like-minded" countries and the African Group had called for a diplomatic conference so that the consolidated documents could be negotiated into binding international legal texts. Some commentators have singled out the African Group for their intransigence towards renewing the mandate without moving to a "dip-con" as the cause of the hiatus.

After a year to regroup, WIPO members agreed to renew the IGC's mandate during the UN agency's 2015 General Assembly, specifying that the committee should continue its work in the 2016/17 biennium "with a focus on narrowing existing gaps, with open and full engagement, including text-based negotiations, with the objective of reaching an agreement on an international legal instrument(s), without prejudging the nature of outcome(s), relating to intellectual property which will ensure the balanced and effective protection of genetic resources (GRs), traditional knowledge (TK) and traditional cultural expressions (TCEs)." (See Bridges Weekly, [8 October 2015](#))

The new IGC work plan has set out to have two meetings on each thematic area, starting with two on genetic resources, followed by expert seminars. Such a process, the Chair said, would encourage an "evidence-based approach."

Disclosure of origin requirement?

Last week's meeting on genetic resources tackled some big questions on a potential disclosure of origin patent requirement; whether it should just be the "source" or also the origin; if associated traditional knowledge would be covered; and whether it should be mandatory (Article 4 of the consolidated document).

Countries could not agree over the inclusion of Nagoya Protocol relevant information on prior informed consent and mutually agreed terms for access to genetic resources and benefit sharing. The US, EU, and others opposed its inclusion in a disclosure requirement, noting that not all countries had ratified the protocol and that it is not the role of the intellectual property (IP) and patent system to ensure compliance with other laws.

Consequences of non-compliance with disclosure were discussed, with delegates clashing over whether patent revocation should be included as a post-grant option. Several countries highlighted that patent revocation should be a last option in non-compliance situations, with the Namibian delegate using the analogy: "In Namibia it is not unusual for cows to be stolen. You would not shoot your own cow; you would take the cow stealer for prosecution." This reiterates the point that the maintenance of patent rights may enhance the opportunities for benefit-sharing if the genetic resource provider and user can reach a mutual agreement on terms.

Namibia also put forward a new proposal on limitations and exceptions to disclosure, with support from South Africa and other developing countries. They suggested that the long list of limitations and exceptions such as derivatives, commodities, and traditional knowledge in the public domain could be replaced by limitations and exceptions when it is overwhelmingly "in the public interest."

The US, Canada, Japan, and South Korea also re-introduced a previous joint submission on databases, which has been tabled several times before. When negotiations on the consolidated text turned to databases on Wednesday, 17 February, it seemed clear that the authors of the joint submission were quite isolated in arguing that databases are a sufficient measure, with many African and Latin American countries, as well as Asian member states such as India and Indonesia, saying they should just be complementary to a mandatory disclosure of origin requirement.

The Tulalip Tribes also questioned whether the US had consulted with Indigenous peoples about their use, raising issues such as "what is the status of knowledge in databases," "who has access," and "who bears the costs" if knowledge is collected and entered into databases. The US responded that their consultations were "ongoing."

Questions over process

After the facilitators prepared a revision to the consolidated document for discussion on 18 February, the plenary then digressed into repeated questions over process and concerns that the text was not narrowing.

Specifically, the Brazilian delegate expressed frustration over the inclusion of additional text, while several African countries reiterated concerns over the US' request to insert the term "unauthorised access/use" into the like-minded and African Group preferred definition of "misappropriation," instead of the US' preferred definition.

The tension in the room was evident as the Namibian delegate then suggested the term "biopiracy" could equally be added next to the more polite term misappropriation. The facilitator's revised text also included a change that each party "shall" rather than "should" require disclosure of origin, given the many countries asking for mandatory disclosure. The US and some Group B countries could not accept this change towards mandatory disclosure,

but Australia appeared more amenable to finding compromises on disclosure throughout the week.

When the Chair returned on Friday morning he was forced to revert to the original text of the consolidated document, with the only revision having consensus being the deletion of Article 2 on scope of the instrument – largely because it is sufficiently explained in Article 1 on subject matter.

The Chair noted that while there had been some ideas and movement on text, there was still no agreement on many items, leaving a long indicative list of outstanding issues to be resolved at the next session. He reiterated the need for delegations to provide evidence and national experiences to improve the understanding of the IGC and to explain their respective positions.

Indigenous experts were present in smaller than usual numbers, because the voluntary fund for Indigenous Peoples and Local Communities (IPLCs) has been depleted. Goss therefore appealed to delegations to replenish the fund so that IPLC representatives can continue attending, given that much of the thematic discussion focuses on their knowledge and cultural expressions. Only the US made a comment that they were applying for at least US\$10,000 to support this.

Unclear road ahead

With considerable frustration and many tired delegates, the session closed with participants thanking the “unstinting efforts” of the Chair, facilitators, and Secretariat. Nigeria, representing the African Group, noted that the achievement of just an indicative list of outstanding issues “after 16 years was a problem.”

“How do we move forward at this stage? Do we keep moving in circles? We will get dizzy!” commented the Indian delegate.

The IGC process is slated to continue with genetic resource expert seminars on 26-27 May, followed by the 30th IGC plenary session on genetic resources from 30 May to 3 June.

ICTSD reporting.

EUROPEAN UNION

European Council, UK Premier Strike Reform Deal, Brexit Possibility Still Unclear

UK Prime Minister David Cameron and fellow EU leaders have clinched a deal renegotiating Britain's membership terms in the European Union, following a high-profile 18-19 February meeting of the European Council.

Whether the agreement reached will be enough to avoid a "Brexit" – in other words, a UK exit from the EU – remains unclear, however, with a domestic referendum on the subject now set for 23 June.

"The last European Council was a difficult as any of my term," said European Council President Donald Tusk on Wednesday 24 February, [telling EU parliamentarians](#) that the "real test of time" is yet to come, ultimately lying in the hands of the British people.

The deal reached, he confirmed, is a "legally binding and irreversible settlement," one that cannot be overturned by the European Court of Justice. It is also in line with the EU's "fundamental values," namely those of non-discrimination and freedom of movement.

However, he warned, an "Out" vote by the UK will make the deal null and void. "If they vote to leave, the settlement will cease to exist," Tusk said.

Terms of deal

In a [letter](#) sent to Tusk this past November, Cameron had requested a series of reforms across four main areas: economic governance, competitiveness, sovereignty, and immigration. These issue themes were the primary topics discussed at the high-level meeting on 18-19 February.

While Tusk had put forward a series of proposed reforms earlier this month to address such concerns, both he and Cameron acknowledged at the time that the final version would likely involve some difficult compromises and hard negotiations. (See Bridges Weekly, [11 February 2016](#))

On the topic of economic governance, Cameron's main concerns involved the Eurozone, particularly regarding the relationship between euro and non-euro member states.

The UK premier specifically cited that he wanted recognition of the fact that "the EU has more than one currency" and that "there should be no discrimination for any business on the basis of the currency of their country" while still maintaining the Single Market.

Furthermore, he said in November, any Eurozone decisions would need to be voluntary for those EU members that do not use the euro as their currency. (See Bridges Weekly, [3 December 2015](#))

In the [new conclusions](#) adopted by the European Council, it is explicitly stated that the euro is not the only currency in the EU.

Furthermore, the document says, "it is acknowledged that member states not participating in the further deepening of the economic and monetary union will not create obstacles to

but facilitate such further deepening while this process will, conversely, respect the rights and competences of the non-participating member states."

Subsequent language continues along the lines of constructive co-existence, cooperation, and mutual respect between euro and non-euro member states.

Also, non-euro member states "shall not impede the implementation of legal acts directly linked to the functioning of the euro area," and are also committed not to take steps that could get in the way of establishing the goals of an economic and monetary union.

The new conclusions also state that "emergency and crisis measures designed to safeguard the financial stability of the euro area," such as bailouts, will not be the fiscal responsibility of member states that are not in the Eurozone.

Furthermore, "appropriate mechanisms to ensure full reimbursement" will be enacted in the case of costs incurred from emergency and crisis measures to EU members that are not on the euro.

In terms of competitiveness, it was agreed that EU member states will work to "fully implement and strengthen the internal market, as well as to adapt it to keep pace with the changing environment."

In his original letter to Tusk, Cameron also expressed that excessive regulations are onerous and restrictive to business, and that as part of the negotiations, he would seek "a target to cut the total burden on business." In the new conclusion, steps towards better regulation are mentioned. Specifically, the new conclusion strives to lower administrative burdens and cut compliance costs, while maintaining protection for consumers and employees.

It further states that the EU "will also pursue an active and ambitious trade policy."

In terms of sovereignty, Cameron had expressed on numerous occasions a desire for the UK to opt out of the commitment to build an "ever-closer union." What exactly this ever-closer union entails is something that has been debated.

Frans Timmermans, the First Vice President of the European Commission, told BBC Radio 4 that this concept "doesn't mean that you need to sign up to ever-closer integration at a political level." Instead, other member states regard the concept as something that represents peace and cooperation amongst the people of the EU.

Nonetheless, the new conclusion states that the UK is "not committed to further political integration into the European Union."

The topic of immigration has been widely seen as the most controversial of the four areas under negotiation.

In his original letter, Cameron proposed that EU immigrants to the UK must "live here and contribute for four years before they qualify for in-work benefits or social housing...and that we should end the practice of sending child benefits overseas."

The final deal allows for the four-year policy as a "safeguard mechanism," subject to a Commission proposal and Council authorisation following a notification from the member state involved of an "exceptional situation" meeting certain criteria. These four years would be from the start of employment of these newly arriving EU workers, with the granting of benefits slowly graduated during that time. The authorisation would be time-bound, in place for seven years following Council approval.

Child benefits being sent overseas will continue, but there will be an "option to index such benefits to the Member State where the child resides."

Voices of dissent

The probability of the UK exiting the EU is not yet clear, as public and political support continues to vary. While the results of the negotiations provide some additional clarity on the UK's future role in a reformed EU, less clear, however, is what could happen to the island nation in the case of a Brexit.

While Cameron's negotiations were aimed at preventing the UK from leaving the EU, various key political figures have publicly supported the "Vote Leave" movement following the European Council meeting. These figures include Boris Johnson, the mayor of London, and Justice Secretary Michael Gove.

In particular, Johnson is a popular political figure, and analysts warn that his decision to support the UK leaving the EU could potentially sway public opinion. Johnson is also in Cameron's Conservative political party, and is therefore opposing his party's leader in backing the Brexit movement.

Cameron, for his part, has been actively working to win support for the settlement since news of a deal first broke, confirming that his government will be recommending that the UK stay in this newly-reformed EU. The UK premier also ruled out this week the possibility of another renegotiation should UK citizens vote to leave.

"This is a straight democratic decision – staying in or leaving – and no government can ignore that," he said on Monday [in the House of Commons](#). "Having a second renegotiation followed by a second referendum is not on the ballot paper."

Questions for trade

The potential economic ramifications for a UK exit of the European Union remain unclear, despite attempts by various analysts to quantify and clarify the losses and gains. Among the most widely-cited concerns are what a "Brexit" will mean both for trade with other EU member states and how this will affect existing and pending EU deals with third countries.

US Trade Representative Michael Froman, for example, has lately said that while it will be up to Britain whether to stay or go, Washington "values" a strong United Kingdom within the EU bloc. (For more on Froman's comments, see related story, this edition)

Furthermore, the US trade chief has said in the past that Washington would not be interested in negotiating a separate trade deal with the UK, given that it prefers negotiating with country groups – in other words, with the EU as a bloc, as it is doing with the Transatlantic Trade and Investment Partnership (TTIP) negotiations. (See Bridges Weekly, [5 November 2015](#))

The EU is also involved in negotiations with a wide range of countries, from the US to Japan to members of the Association of Southeast Asian Nations, with more trade pacts on the horizon. (See Bridges Weekly, [21 January 2016](#))

ICTSD reporting; "Brexit Special," BLOOMBERG INTELLIGENCE: BLOOMBERG BRIEF, 2016; "Cameron to Make EU Case to Commons as Johnson Backs 'Brexit'," BLOOMBERG, 22 February 2016; "EU reform deal: What Cameron wanted and what he got," BBC NEWS, 20 February 2016; "EU renegotiation: Britain can get 'clarification' on 'ever-closer union'," TELEGRAPH, 28 October 2015; "The UK's EU referendum: All you need to know," BBC NEWS, 22 February 2016.

INTERNATIONAL MONETARY FUND

IMF Chief Christine Lagarde Approved for Second Term

Christine Lagarde, the former French finance minister who has served at the helm of the International Monetary Fund since 2011, has been approved to serve a second five-year term as Managing Director.

The decision, confirmed by the Fund's Executive Board this week, was widely expected, given that Lagarde ran unopposed and already had secured the backing of key members, including EU member states, the US, and China.

The 24-member Executive Board made their decision by consensus, they said on 19 February. The Board is charged with conducting the Fund's daily business, with members appointed either by individual countries or country groups.

Lagarde's new term is set to begin this coming July, the [Executive Board](#) confirmed. Praising the IMF chief's leadership during her first term, the Executive Board cited in particular her efforts in improving the Washington-based institution's relationships with emerging and developing country members.

They also noted other areas where the IMF has seen improvements over the past five years, including in providing its 188 members with policy advice and capacity-building support.

For this coming term, they said, Lagarde is expected to ensure that the Fund can continue to "provide integrated advice across the full spectrum of issues that impact macroeconomic stability... and helping to ensure global economic and financial stability," among other goals.

"Over the past five years, the IMF has adapted and strengthened its capacity to respond to its members' needs and is well-prepared to help them meet the challenges of the future," said Lagarde in a [statement](#) accepting the second term.

Looking forward, she continued, "the global economy is undergoing a number of important transitions and we are focused on helping our membership navigate these successfully."

Term in review

Perhaps one of the most significant IMF developments during Lagarde's first term was the Executive Board decision last year to invite the Chinese renminbi to join the basket of currencies that make up the Fund's Special Drawing Rights, or SDR. (See Bridges Weekly, [3 December 2015](#))

The SDR is an international reserve asset that is comprised of four other currencies – the pound sterling, the euro, the Japanese yen, and the US dollar.

While expected, the move was seen as a landmark development for Beijing, albeit a controversial one, and had already received Lagarde's [backing](#) after IMF staff found that the currency had met the necessary criteria, both in terms of exports and in being a "freely usable" currency.

"The continuation and deepening of these efforts will bring about a more robust international monetary and financial system, which, in turn will support the growth and stability of China and the global economy," [she said](#) at the time of the Executive Board decision on the SDR, which takes effect in October.

The past five years have also been a tumultuous one for the global economy, with current prospects indicating higher risks than expected for the years ahead, along with slow growth. Among the specific challenges that Fund has tackled in that time include support to economies in crisis, such as Greece and Ukraine, while advocating for better coordination on monetary policy by major advanced economies. (See Bridges Weekly, [15 October 2015](#))

The coming term

The continued struggles of the international economy – particularly given the economic slowdown in China, as well as the difficulties facing Ukraine and Greece, the prospects of a potential "Brexit," and other factors – are likely to be a dominant topic in the next chapter of Lagarde's tenure.

Indeed, the IMF chief has lately [advocated](#) that policymakers undertake a "policy upgrade" that includes structural reforms, improved financial stabilities, and pushing advanced economies to take into better consideration the potential "spillover risks" from monetary policy decisions.

Another key [focus area](#) for her second term will be the IMF response to falling oil prices, and the economic instability that may follow – as well as the potential opportunities that could arise in terms of fossil-fuel subsidy reforms and ensuring better fiscal consolidation by oil-producing economies.

How the IMF 2010 quota and governance reforms – [approved](#) by the US Congress late last year after a prolonged delay – will affect the functioning of the Washington-based institution is another area to watch in the years ahead.

With such an uncertain landscape before them, "the Fund remains committed to its fundamental goal of helping to ensure global economic and financial stability through international cooperation," said Lagarde this week.

ICTSD reporting; "IMF Approves Second Term for Managing Director Christine Lagarde," WALL STREET JOURNAL, 19 February 2016; "IMF's Lagarde Says Oil May Stay Low for Longer Than Expected," BLOOMBERG, 22 February 2016; "Challenges face Christine Lagarde in second IMF term," FINANCIAL TIMES, 11 February 2016.

EVENTS & RESOURCES

Events

Coming Soon

29 February – 3 March, Mexico City, Mexico. FAO REGIONAL CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN (LARC). The 34th session of the UN Food and Agriculture Organization (FAO) Regional Conference for Latin America and the Caribbean will address the challenges in the transformation of the rural sector and the sustainable use of natural resources, among various other topics relevant to the region – particularly in the context that this region is the only one to have met both the hunger reduction goals of the World Food Summit and the Millennium Development Goals. Other topics for discussion include a review of the UN agency's activities during 2014-2015 and possible region-specific priorities for action for the current biennium. Further details can be accessed [here](#).

1 March, Washington, US. 2016 CONGRESSIONAL TRADE AGENDA. This event, hosted by the Washington International Trade Association (WITA), will feature various US congressional trade leaders as guest speakers. This discussion will include the off-the-record insights of these leaders on key trade topics that could be addressed by the US legislature in 2016. Additional information, including details on attending the event, can be found [here](#).

1-3 March, Phnom Penh, Cambodia. BUILDING THE CAPACITIES OF CAMBODIA TO UPGRADE AND DIVERSIFY ITS FISH EXPORTS TO MEET INTERNATIONAL QUALITY AND SAFETY STANDARDS. This workshop, co-organised by the United Nations Conference and Trade and Development (UNCTAD) and the Ministry of Cambodia, will discuss ways in which Cambodia can expand and diversify its fish exports by meeting international quality and food safety standards. The meeting will build upon similar meetings focusing on the experience of African least developed countries (LDCs), with a view to address topics such as institutional and human resource constraints and what implications these may have. More information can be found [here](#).

2-3 March, Brussels, Belgium. ELEVENTH SOLAR MARKET WORKSHOP. This annual event, held by SolarPower Europe, will examine key trends and drivers seen over the past year in the international solar market, while also reviewing the European experience in this sector and what future may lie ahead for the international solar sector. The two-day event will include presentations, interactive debates, and various networking opportunities. More information, including a preliminary agenda, is available [here](#).

3 March, Washington, US. FROM SILK TO SILICON: THE STORY OF GLOBALIZATION THROUGH TEN EXTRAORDINARY LIVES. This event, hosted by the Carnegie Endowment for International Peace, will feature a conversation between Jeffrey E. Garten and Thomas Friedman regarding Garten's latest book, *From Silk to Silicon: The Story of Globalization Through Ten Extraordinary Lives*. This book accounts for the contributions of ten individuals over the last millennium in areas such as globalisation and the changing geopolitical relationships; climate change and humanitarian disaster; the advent of new technologies; and various economic developments and their implications for other areas. Further details, including information for registration, can be found [here](#).

WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise

indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO members and accredited observers only.

26 February: Dispute Settlement Body

1-2 March: Council for Trade-Related Aspects of Intellectual Property Rights

3 March: Preparatory Committee on Trade Facilitation

Other Upcoming Events

10 March, online. WEBINAR: RE-THINKING THE TRANS-PACIFIC PARTNERSHIP. Organised and moderated by the International Institute for Sustainable Development (IISD), this webinar aims to review the recently-signed Trans-Pacific Partnership (TPP) Agreement, touching upon its advantages and shortcomings – as well as how such a discussion can shape future trade policy, particularly regarding the relationship such deals can have with the new Sustainable Development Goals (SDGs). More information can be found at the IISD [website](#).

11 March, London, UK. EMERGING OIL AND GAS PRODUCERS IN THE AGE OF CHEAP OIL. This Chatham House event will feature Valérie Marcel, Associate Fellow, Energy, Environment and Resources, as its main speaker. Marcel will address how recent developments in the oil and gas sectors will affect producers of such energy supplies, while making suggestions on how to improve governance and address investment-related issues. Please note that the event is by invitation only. Further details are available [here](#).

17-21 July, Nairobi, Kenya. WORLD INVESTMENT FORUM. This biennial gathering, organized by the UN Conference on Trade and Development (UNCTAD) aims to facilitate discussion and action on the major, emerging investment topics, drawing in participants from government, the private sector, intergovernmental organisations, and civil society. The focus of this latest meeting will be how to drive and craft investment in ways that support the new Sustainable Development Goals. Further details for the event, including details for registration, can be found [here](#).

16-17 March, Geneva, Switzerland. MULTI-YEAR EXPERT MEETING ON INVESTMENT, INNOVATION AND ENTREPRENEURSHIP FOR PRODUCTIVE CAPACITY-BUILDING AND SUSTAINABLE DEVELOPMENT, FOURTH SESSION. This meeting will focus on developments in bilateral, regional, and multilateral investment policy, focusing specifically on international investment agreements. This event, organised by the United Nations Conference on Trade and Development (UNCTAD), aims to provide a forum for additional discussion on the UN agency's Investment Policy Framework for Sustainable Development; the Entrepreneurship Policy Framework; and the Science, Technology and Innovation Policy Framework. Further details, including registration information, can be found [here](#).

Resources

A MIDTERM REVIEW OF THE 2014 FARM BILL. By Vincent H. Smith for the American Enterprise Institute (AEI) (February 2016). This paper aims to provide an update on the implementation – and implications – of the 2014 US Farm Bill, particularly given some of the significant policy changes included in the legislation. The author, an economist at Montana State University, particularly focuses on whether the savings promised by the legislation's proponents have indeed taken shape, among other related questions. The publication is available for download [here](#).

THE STATE OF SUSTAINABLE MARKETS: STATISTICS AND EMERGING TRENDS 2015. Published by the International Institute for Sustainable Development (IISD), the International Trade Centre (ITC), and the Research Institute of Organic Agriculture (FiBL) (January 2016). This report reviews over a dozen voluntary sustainability standards across nine agricultural commodity sectors, reviewing their market performance. This publication is part of an ongoing effort to ensure that data on more sustainable markets is more readily available for use. To access the report, click [here](#).

ASEAN'S REGIONAL ROLE AND RELATIONS WITH JAPAN: THE CHALLENGES OF DEEPER INTEGRATION. Published by Chatham House (February 2016). This new report aims to address current and expected challenges for the 10-member Association of Southeast Asian Nations (ASEAN), and what these may mean for the group's relationship with neighbouring Japan. The full research paper is available [here](#).

THE ECONOMIC WELFARE AND TRADE RELATIONS IMPLICATIONS OF THE 2014 FARM BILL. Edited by Vincent H. Smith for the American Enterprise Institute (AEI) (January 2016). This essay collection breaks down the various different components of the 2014 US Farm Bill, with a view to better understanding the related implications for economic welfare. The authors note which programmes appear to yield economic efficiency and productivity gains, along with which ones come at a cost to US citizens. More information is available [here](#).

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PUBLISHED BY



**International Centre for Trade
and Sustainable Development**

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

**DFID - UK Department for
International Development**

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Development Agency**

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of publications is most welcome; if interested,
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Director at +41-22-917-8335.

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News Digest is edited by Sofia Alicia Baliño.

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

Price: €10.00

ISSN 1563-0

