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## TRADE AGREEMENTS

### EU's Malmström Pushes for Deeper Trade Ties in Asia-Pacific Region

Boosting economic ties with the Asia-Pacific region is one of the main items on the EU trade docket this week, as the bloc's top trade official travels to Singapore and the Philippines for talks on advancing various initiatives.

Visiting the city-state on Wednesday 8 March, EU Trade Commissioner Cecilia Malmström [told an audience](#) at Singapore Management University that the EU is "pursuing an ambitious agenda of trade negotiations," including within the region – and that doing so has become even more imperative in light of inward-focused rhetoric being expressed in many parts of the world.

"Even in some of the richest countries in the world who have long benefited from and championed trade, some blame trade for society's ills – they hope to push the clock back against the changes they see in the world, thinking the answer is to close borders or to build walls," she said.

The EU trade chief was also meeting with her Singaporean counterpart, Minister for Trade and Industry Lim Hng Kiang, to discuss the future of the already completed EU-Singapore Free Trade Agreement, eyeing the next steps for bringing the long-awaited accord into force.

"The early ratification of the [EU-Singapore deal] will demonstrate the EU's resolve as a key player in the global trading system and send a clear signal about the EU's commitment to step up its engagement of the region," said Lim on Singapore's behalf.

Negotiations for that accord were completed in October 2014; however, the ratification process is awaiting a legal opinion from the European Court of Justice (ECJ) to confirm which areas of the deal fall under exclusive EU competence, shared competence, or member state competence.

An advocate general for the EU court has already circulated her final opinion on the subject, with a final opinion from the ECJ due in 2017. (See Bridges Weekly, [19 January 2017](#))

### **EU interest in TPP country ties**

Speaking to Singapore Management University, Malmström also highlighted the EU's interest to deepen its engagement with other countries in the region, including those which have signed the Trans-Pacific Partnership (TPP) Agreement, among others.

"I know many here will be disappointed by the uncertainty surrounding the Trans-Pacific Partnership, the TPP. So are we, we were supporting that," she said.

That development, and the uncertainty regarding the EU's own planned trade deal with the US, were both cited by the EU trade chief in her speech as a rationale toward fighting for greater trade liberalisation.

"That should not become a pattern, or an omen, for the global trade agenda. That is why we are determined to double down in advancing our own trade talks with partners around the world, including the countries of the TPP," she said.

Indeed, EU leaders are expected to send a similar message during a summit on Thursday 9 March, with the Reuters news agency reporting that a draft version of their conclusions will promote the bloc's foreign trade agenda for new and existing negotiations.

The future of the 12-country Pacific Rim pact has been put into question following the move by US President Donald Trump to withdraw Washington from the accord. Officials from the TPP countries are preparing to meet next week in the Chilean coastal town of Viña del Mar for talks on the pact's next steps.

Of the 12 TPP countries, the EU has already negotiated a trade deal with Canada, which the bloc's parliament ratified last month. (See Bridges Weekly, [16 February 2017](#))

Efforts continue to reach an accord with Japan, another TPP country, this year. Singapore is another TPP member, and the EU is working with Australia and New Zealand individually to launch trade talks in the near-term. Regarding discussions with Wellington, the two sides [announced](#) this week that they had completed "joint scoping discussions" for what a future deal might cover and are now ready to seek the necessary mandates to begin negotiating.

Meanwhile, TPP signatories have been busy over the past month holding bilateral talks to begin gauging possible options going forward. Along with inviting TPP countries, Chile has also invited non-TPP countries, including China, to the Viña del Mar meeting, and the US is [reportedly](#) expected to send an official despite having withdrawn. (See Bridges Weekly, [23 February 2017](#))

"Right here and now, of course, the key focus of the TPP is to look at whether or not the deal can be salvaged," said Australian Trade Minister Steven Ciobo during a 6 March interview with [ABC Radio](#).

### **ASEAN region-to-region talks revival?**

Meanwhile, the EU and the 10-country Association of Southeast Asian Nations (ASEAN) had originally attempting to negotiate a region-to-region trade deal, kicking off talks in 2007 only to put the effort on hold two years later.

In the years since, the 28-nation bloc has been negotiating trade deals with individual members of the Southeast Asian grouping. Along with reaching the above-mentioned agreement with Singapore, the EU has also clinched a deal with Vietnam in December 2015 that is pending signature and approval.

Individual negotiations are also underway with Indonesia and the Philippines, respectively.

"Our bilateral trade agreements can help promote integration and value chains within the region," said Malmström this week. She noted that her meetings in Manila, Philippines, on Thursday with ASEAN ministers will also look to examine the prospects of potentially reviving the region-to-region talks, which "would be of immense significance."

The EU is the Southeast Asian bloc's second-largest trading partner, while the ASEAN group overall ranks as the European bloc's third-largest partner, according to statistics [published](#) by the European Commission.

ICTSD reporting; "EU leaders set to reject protectionism in contrast to Trump," REUTERS, 8 March 2017.

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## AGRICULTURE

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# EU Officials Begin Testing Waters on Post-2020 Agricultural Policy

EU officials have begun scoping out ideas and priorities for the next phase of the bloc's Common Agricultural Policy (CAP), which is due to take effect from 2021 onward.

The CAP governs the bloc's support for its 22 million agri-workers, with a current annual budget of €59 billion according to [EU figures](#). The last set of reforms to the high-profile scheme were agreed in 2013 for the 2014-2020 period. (See Bridges Weekly, [27 June 2013](#))

While the next phase of the CAP is years away, talks for each iteration of the policy are famously complex, often requiring round-the-clock negotiations as member states, the Commission, and EU parliamentarians haggle over details ranging from whether and how to cap payments to larger farms or how much to link state aid to actual agricultural production.

### **Council talks risk, environment, funding**

The future set-up of the EU's domestic agricultural support from the end of this decade was one of the key items on the agenda when agriculture ministers under the EU Council met in Brussels, Belgium, on Monday 6 March.

"The EU farming sector has big challenges ahead. As politicians we have an opportunity to set a vision for the future," said Roderick Galdes, Maltese Parliamentary Secretary for Agriculture and president of the Council.

"We should constantly improve our policies so that EU agriculture and rural areas can continue to thrive and generate growth, employment and welfare," the Maltese official added.

According to a background brief issued before the event, ministers were expected to respond in Brussels with their views on how best to address CAP-related "priorities," along with their thoughts on potentially changing the current "balance" of the farm policy's financing structure.

Ministers reportedly called to make the next version of the scheme far simpler, along with raising various issues involving risk and future sustainability of the farm sector, including the need to address environmental problems and the looming risk of climate change.

Farm ministers generally expressed an interest in keeping the "market orientation" of the CAP – in other words, keeping interventions into the market limited so as to avoid production and trade distortions – along with ensuring that the bloc's farmers can be better prepared for "market crises."

Although in past decades the CAP was heavily criticised for generating unwanted surplus production and waste – such as the "butter mountains" and "wine lakes" of the 1980s – successive reforms since then have substantially reduced the extent to which policy directives dictate farm output.

The CAP's market orientation has come into focus in recent years, particularly in light of the crisis reported by EU dairy and livestock farmers that led to the Commission providing hundreds of millions of euros in aid in 2015. (See Bridges Weekly, [17 September 2015](#))

## Funding the "pillars"

Funding proved to be a shared concern among most EU ministers, according to Council conclusions released on Monday evening. Along with calling for "adequate funding," many participants reportedly confirmed that they wish to keep using the "pillar" system of the CAP going forward.

Under the EU's agricultural policy, the first of these pillars involves production support, while the second is for rural development. The 2014-2020 CAP tried to [better integrate](#) the two pillars, including by moving to "green" direct payments to farmers in an effort to ensure European agriculture's environmental sustainability. (See Bridges Weekly, [27 June 2013](#))

Although the cost and funding arrangements for the CAP have always been debated by ministers, farm groups, environmentalists, and other actors, the post-2020 CAP is expected to be the first to apply after the UK leaves the EU, thereby shrinking the overall financial contributions that are available for financing the bloc's agricultural outlays.

The Council's conclusions from this week's meeting hinted that the two pillars will likely spark debate in future talks, especially over the question of how to balance the resources allocated to them. The document also noted an interest by many member states to have "real flexibility" in how they treat these two areas at the national level.

"Some delegations were in favour of putting more emphasis on rural development in the future in order to invest in rural viability and vitality, [while] others warned against a reduction of direct support to farmers," the conclusions read.

Another area that drew ministers' interest was ["voluntary coupled support"](#) – in other words, direct payments that EU member states are allowed to make to farmers for select goods that are struggling, so long as these are also used to address economic, social, or environmental concerns.

These are currently capped at eight percent of a member state's national ceiling for direct payments, plus an additional two percent if involving a protein crop, with the possibility of going higher under select circumstances.

A dozen countries [urged](#) the EU's executive arm to either keep these at current levels or allow them to be greater. Coupled support has long drawn scrutiny in trade circles over the concern that linking such payments to farm production has the effect of distorting trade.

"The significant support the proposal received from 12 member states indicates that even holding the line in preventing a return to aspects of the old CAP may be increasingly problematic in the months ahead," wrote Alan Matthews, emeritus professor of European agricultural policy at Trinity College Dublin, in a [blog post](#) on the subject.

## Hogan highlights market volatility

EU Agriculture Commissioner Phil Hogan has similarly been making the case for better addressing issues such as market volatility via the next CAP in recent weeks, holding meetings with French Prime Minister Bernard Cazeneuve last week and [speaking days earlier in Geneva](#) on making agricultural trade more sustainable.

"I have listened carefully to the calls from farmers in the arable crops sector of the need to monitor the market more closely, having regard to the importance of the sector for EU agriculture, not least here in France, and the forthcoming end of the quota regime in the sugar sector," he [said](#) on 2 March in Paris at the Salon de l'Agriculture after meeting with the French premier.

The EU's executive arm has opened a [public consultation](#) on "modernising and simplifying" the CAP, which continues through the beginning of May. The results will then be released publicly this summer.

A [statement](#) issued by EU farm group Copa and Cogeca on Monday said that a "strong, common, adequately financed" CAP is needed in the future.

At the same time, over 150 civil society organisations issued a joint [statement](#) calling for the EU's future farm policy to take into account social and environmental concerns, including the impact on livelihoods in developing countries.

The Commission has [explained](#) that the need to conduct another CAP upgrade just a few years after the last one was the result of two factors: that the EU's agricultural policy needs to respond to unexpectedly swift changes in areas ranging from trade to climate and environment, and that the bloc must respond to the frustrations expressed by all stakeholders in the complexity of the last set of reforms.

At the same time, the European Parliament's Committee on Agriculture and Rural Development is also examining a proposed "[omnibus regulation](#)" which would modify aspects of the current CAP, and which could be applied from as soon as the start of 2018 if agreement is reached among the relevant European institutions beforehand.

Among other things, this contemplates a new "risk management" instrument which would allow support to be provided to agricultural insurance – a model for agricultural domestic support which now forms the centrepiece of US farm subsidy schemes.

Matthews told Bridges that European Commission proposals for this instrument to cover losses greater than 20 percent would likely mean that the support would have to be notified as trade-distorting "amber box" payments under WTO rules. The EU, like other members of the global trade body, has to respect an upper limit on amber box support at the WTO.

### **Climate change risk, shifting trade scene**

In the four years since the last version of the CAP was approved, the 28-nation bloc has struggled against concerns such as the growing threat of a changing climate, fuelling a demand for the bloc to adapt its farm policy approaches accordingly.

Meanwhile, the shift from negotiating trade deals between small groups – as opposed to doing so on a global scale – was another key development from recent years that the EU's executive arm flagged in describing the new agricultural policy landscape.

This change is "requiring a careful balancing of offensive and defensive interests, with due attention paid to certain sensitive sectors," the Commission said in its introduction to the public consultation questionnaire.

While WTO members clinched a deal in December 2015 to eliminate agricultural export subsidies, among other decisions, efforts to agree on other farm trade reforms among the organisation's 164 members continue to prove difficult. However, top officials have also said that an "overwhelming majority" of the trade body's membership favours an outcome in farm subsidy talks ahead of the upcoming WTO ministerial conference in Buenos Aires, Argentina, this December. (See Bridges Daily Update, [19 December 2015](#) and [24 November 2016](#))

Echoing this sentiment, Hogan told his Geneva audience two weeks ago that agriculture "must be a key component" of a successful outcome at the ministerial, and noted that a positive outcome on agricultural domestic support would benefit the multilateral trading system.

Along with being an active participant in WTO talks, the EU is in the process of negotiating a host of bilateral and regional trade deals, with plans in the pipeline for several more.

The EU's trade accord with Canada could be within weeks of entering provisionally into force, pending final ratification steps in the North American economy. Efforts are also said to be ramping up to clinch a high-profile trade accord with Japan this year. (See Bridges Weekly, [16 February 2017](#) and [23 February 2017](#))

Talks with other agricultural exporting giants are also underway, with the EU working with the South American customs bloc Mercosur to revamp those negotiations. The EU is also working with Australia and [New Zealand](#) to begin negotiations with both Oceanic nations, separately, in the near term. (See Bridges Weekly, [15 December 2016](#))

"Trade deals, done right, are a force for good for our farmers and food producers," [said](#) EU Trade Commissioner Cecilia Malmström last month following the results of a Commission-requested independent [study](#) of the agricultural impacts of the EU's trade deals with Mexico, South Korea, and Switzerland.

ICTSD reporting.

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## DIGITAL ECONOMY

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### E-Commerce Proposals in Focus at WTO's TRIPS Council

World Trade Organization (WTO) members met last week to discuss a series of communications involving the intellectual property (IP) aspects of electronic commerce, along with continuing their past discussions on a UN report regarding access to medicines and health technologies.

The discussions were held from 1-2 March under the WTO's Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) at Geneva headquarters.

#### Preparing for Buenos Aires

Ambassador Alfredo Suescum of Panama, who is currently serving as the TRIPS Council's interim chairperson, commented that meeting on the subject of electronic commerce represents an opportunity to "create a clearer, more inclusive factual picture of the current state of affairs as the foundation for informed dialogue between members," according to a WTO [news item](#).

"The debate would constitute a sound basis to provide input for the General Council report to the next ministerial conference" to take place in Buenos Aires in December 2017, he added.

WTO members are currently working to see which issues could potentially yield agreed outcomes for the upcoming ministerial meet, which is the global trade body's highest level gathering. E-commerce is one of the areas which has drawn significant interest to date, along with possible measures on disciplining fisheries subsidies, addressing domestic agricultural support, and services facilitation and domestic regulation.

At the last such ministerial meeting, held in Nairobi, Kenya, in December 2015, trade ministers committed members to continuing the work programme on electronic commerce based on the existing mandate, among various other decisions. Electronic commerce returned to the TRIPS Council agenda in June 2016 for the first time since 2003. (See Bridges Weekly, [16 June 2016](#))

Under the 2015 [Nairobi decision](#) on e-commerce, the WTO's General Council was also instructed to review periodically the work in this area, based on reports from the relevant WTO bodies: the Council for Trade in Services, the Council for Trade in Goods, the TRIPS Council, and the Committee for Trade and Development. The next of these reviews is due for July, with the General Council instructed to then "report to the next session of the ministerial conference."

#### Documents on the table

To facilitate discussions, Brazil produced a [paper](#) ahead of the meeting on electronic commerce and copyright, seeking "shared understandings" among member states on transparency in the remuneration of copyright, balancing the interests of rightholders and users of protected works, and territoriality of copyright, proposing to make national copyright laws applicable to trade that occurs across borders, as three areas from which "the development of national copyright systems in the digital environment would greatly benefit."



Citing the value of transparency in the digital management of copyright, Brazil expressed concern that rightholders may not be able to benefit sufficiently from the royalties of their works.

Furthermore, Brazil referred to “a growing concern” that technological protection measures risk limiting legitimate copyright limitations and exceptions, damaging the interests of users and follow-on creators.

The third section on “territoriality of copyright” discusses the relationship between national copyright laws and the international nature of the digital space, including what this means for the business environment.

A revised version of the communication was circulated by Brazil and Argentina after the meeting.

Another [document](#) prepared by Argentina, Brazil, and Paraguay detailed the Mercosur experience with electronic signatures and authentication in order to advance discussions on this aspect of the work programme. Along with those three countries, Uruguay and Venezuela are also Mercosur members.

According to trade sources, Brazil highlighted that a mutually recognised electronic signature could serve to facilitate cross-border trade, particularly for trade in services.

A [non-paper](#) issued by the EU, Canada, Chile, Colombia, Côte d'Ivoire, Mexico, Montenegro, Paraguay, Singapore, South Korea, and Turkey, considers the role of the WTO in relation to other international organisations in the digital economy, including the International Telecommunications Union (IUT), the World Intellectual Property Organization (WIPO), the World Bank, and the UN Conference on Trade and Development (UNCTAD). Some members reportedly cautioned against the duplication of work.

It also looks at the trade-related elements they say are relevant for e-commerce, in terms of regulatory frameworks, measure to ensure open markets, initiatives facilitating the development of e-commerce, and enhanced information-exchange and transparency at the multilateral level. The document represented a revised version of an earlier paper presented in August 2016.

Singapore also introduced a [non-paper](#) underlining the opportunities presented by e-commerce to SMEs and examining the e-commerce issues relevant to developing countries.

### **UN report on access to medicines sparks interest, debate**

The TRIPS Council also discussed the recommendations put forward in the UN High-Level Panel report last year on improving access to medicines and health technologies, an item which was put on the agenda by Brazil, China, India, and South Africa.

The report, issued by the high-level panel in September 2016, includes policy recommendations on TRIPS flexibilities; new innovation models for development of pharmaceuticals including criteria for granting patents; and inter-agency coherence. Discussions at the WTO regarding the report began at the November session of the TRIPS Council. (See Bridges Weekly, [18 November 2016](#) and [22 September 2016](#))

Many representatives were supportive of the recommendations and expressed interest in continuing discussions at the next Council meeting in June, including Bangladesh, Brazil, China, India, Indonesia, Nigeria, and South Africa. Several delegations reportedly indicated support for the recommendation to prevent bilateral pressure to commit countries into “TRIPS-plus” obligations under free trade agreements.

Egypt also reportedly referred to a recommendation regarding the capacity of the UN Conference on Trade and Development (UNCTAD) and other international organisations to furnish governments with technical advice on patentability criteria and training to patent examiners.

On the other hand, concerns were raised on the narrowness of the scope of the report, focusing too closely on policy incoherence and IP-related aspects of access to medicines, suggesting taking a more holistic approach. Australia, the EU, Japan, Switzerland, and the US were among those who reportedly took the floor to express those views, according to IP-Watch.

Certain delegations, including Canada, indicated that more time was needed to consider the recommendations, as did South Korea.

Another related issue raised was on supporting the implementation of the amendment to the TRIPS Agreement, which entered into force on 31 January 2017 after two thirds of the WTO's membership ratified the protocol domestically. (see Bridges Weekly, [26 January 2017](#))

The amendment aims to allow developing country members to have better, less expensive access for buying generic medicines produced by other trading partners.

"It is now important to look into how to make this new procurement tool work effectively so that it delivers concrete results in practice," said former Council Chair, Ambassador Modest Jonathan Mero of Tanzania, following the amendment's entry into force. Oman has since deposited its instrument of acceptance on 1 March, becoming the first member to accept the protocol since January.

ICTSD reporting; "TRIPS Council To Consider The Two Sides Of IP – Innovation Booster and Barrier," INTELLECTUAL PROPERTY WATCH, 21 February 2017; "E-Commerce, Access To Medicines Catching On At WTO TRIPS Council," INTELLECTUAL PROPERTY WATCH, 3 March 2017.

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## AGRICULTURE

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# Food Crisis Worsens Across Several African Countries, UN Agencies Warn

Millions of people face acute food shortages across a swathe of African countries, the UN has warned repeatedly in recent weeks, with parts of South Sudan in particular facing famine.

At a humanitarian summit in late February in Oslo, governments [pledged](#) US\$672 million in funds for Nigeria and the Lake Chad region, three days after the heads of the UN Food and Agriculture Organization (FAO), the World Food Programme (WFP), and the United Nations Children's Fund (UNICEF) issued a joint statement [warning](#) of famine in South Sudan.

"People are dying of hunger. We must take action now," said the FAO's José Graziano da Silva, the WFP's Ertharin Cousin, and UNICEF's Anthony Lake in the communiqué on South Sudan. The landlocked African country has been ravaged by civil war since late 2013, just a couple of short years after it became independent from Sudan.

Separate FAO statements have recently warned that worsening [drought](#) is leading to record or near-record price increases in the East African region, while a growing [food crisis](#) is affecting Yemen.

The worsening situation coincides with the release late last month of a major FAO [report](#) on the future of food and agriculture, which cautions that future global food security could be "in jeopardy" due to growing pressure on natural resources and climate change.

### Conflict and post-conflict reconstruction

In South Sudan, "protracted violence, insecurity, displacement, and a protection crisis" were among factors preventing humanitarian access and aid delivery, the three UN agencies said. When the UN uses a formal famine declaration, it means that people have already started dying of hunger.

Just this week, UN officials issued further warnings that aid workers are struggling to gain safe access to those most in need of help.

"The humanitarian crisis in South Sudan is rapidly escalating, and hunger and malnutrition have reached new disturbing levels. Fighting, insecurity and lack of access to aid have left some 100,000 people facing starvation and a further one million are on the brink of famine," [said](#) Stephen O'Brien, the UN's Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, on 4 March after visiting the region.

The UN has further warned that by this upcoming July, which is considered the "lean season," the number of people deemed "food insecure" in South Sudan could hit 5.5 million.

In Nigeria and the Lake Chad basin region, some 7.1 million people are now severely food insecure, the FAO said last month.

Violence related to the armed group Boko Haram has also contributed to food insecurity in the region, undermining food security and livelihoods. In Nigeria, 120,000 people face famine, almost all of whom are in the north-eastern Borno State, which has been particularly affected by the conflict.

Similarly, 6.2 million people in conflict-scarred Somalia face acute food insecurity, with maize and sorghum harvests 75 percent lower than their usual level. The magnitude of the crisis led to an emergency visit this week by the UN's new Secretary-General, [Antonio Guterres](#), as well as [O'Brien](#).

The World Health Organization has also cautioned that a rapid escalation of the "drought response" is needed to address the risk of famine in Somalia to avoid "the worst-case scenario."

"A third famine in 25 years is a real possibility," the UN health agency has [warned](#), adding that the combination of malnourishment and limited clean water sources is also causing the spread of severe – and preventable – diseases, including the above-mentioned cholera.

A drought affecting the East African region has pushed local cereal prices near record levels in parts of Ethiopia, Kenya, Somalia, South Sudan, Uganda, and Tanzania, the FAO said – despite the agency's [index](#) for international food prices remaining relatively stable.

Meanwhile, 17.1 million people are struggling to feed themselves in Yemen, with 7.3 million needing emergency food assistance.

### **Overstocking livestock**

Unsustainable agricultural practices had also contributed to the crisis and weakened resilience to recurrent shocks, said Josef Schmidhuber, deputy director in the FAO's trade and markets division, in remarks to Bridges.

In Kenya, for example, efforts to tackle tax evasion through tighter controls on bank transactions had led to the overstocking of livestock, which increasingly serves farmers as a store of value, Schmidhuber added.

"This resulted in too many cattle for too few hectares, and hence in overgrazing, shortages of feedstuff and food, and eventually a deterioration of livestock herds," he told Bridges.

In South Sudan, the conflict is preventing herders from moving freely to greener pastures, placing further pressure on the natural environment during a period when producers were struggling to cope with the effects of the multi-year "El Niño" weather system. The conflict has also cut off trade routes to neighbouring countries, sources said.

At the same time, although vaccination programmes had helped to make cattle a more valuable asset, they had also had the perverse effect of increasing the attractiveness of livestock to warlords, Schmidhuber said.

Other experts familiar with South Sudan underscored the importance of the broader collapse of state institutions. "The failure of leadership and governance is the main contributor," said Constantine Bartel, a researcher at the University of Zurich's Center for Corporate Responsibility and Sustainability, in comments to Bridges.

The political and ethnic conflict had coincided with falling oil prices – the main source of government revenue – causing inflation to sky-rocket, a spike in food prices and a collapse in imports, Bartel said.

As in South Sudan, people in north-eastern Nigeria are facing difficulties accessing food as a result of the impact of conflict on the ability of traders to access the region.

"Traders cannot go there freely, and production is disrupted," said Olawale Ogunkola, professor of economics at the University of Ibadan, Nigeria.

Ogunkola told Bridges that the conflict had affected critical infrastructure such as roads and bridges, compounding longer-term [problems](#) associated with neglect by national and state-level governments, and the resulting under-investment in the sector.

One government official observed that, in some West African countries, food shortages were occurring at the same time as overall food production levels were robust.

"It's not that farmers are not producing enough, but it is being exported out of the country," the source said, noting that poverty in conflict-hit regions had affected people's ability to access affordable food.

### **Global food security "in jeopardy"**

Along with the above-mentioned crises, UN officials have warned in recent weeks that there are also increasing food security risks on a wider geographical scale that require a quick, dedicated response.

In introducing his agency's report on the future of food and agriculture, FAO Director-General José Graziano da Silva warned in late February that "global food security could be in jeopardy" as climate change and resource pressures threatened progress towards ending hunger and poverty.

In 2015, governments at the UN agreed to end hunger and all forms of malnutrition by 2030, as part of an ambitious action agenda structured around seventeen Sustainable Development Goals (SDGs). (See Bridges Weekly, [1 October 2015](#))

The report identifies key trends affecting global food systems in coming decades, as well as a set of challenges that governments will need to overcome in order to eradicate hunger while making food and agriculture systems sustainable.

Trends affecting food and agriculture include population growth and changing diets, structural changes in economies, and climate change. While hunger and extreme poverty have fallen over the last couple of decades, critical parts of food systems were become more capital-intensive and concentrated in fewer hands, the agency said.

At the same time, the number of conflicts, crises, and natural disasters are growing and becoming more intense.

Despite economic growth and rising incomes, the report notes that current levels of investment are inadequate to achieve the SDGs – with additional annual investments of US\$265 billion still needed in order to end hunger by 2030.

The report also describes the slowdown in global trade since the global financial crisis of 2008-09, both for farm goods and other merchandise. It also addresses the growth in importance of regional trade agreements and what these could mean for the tariff preferences that many developing countries have benefitted from in the past, along with the implications for rules of origin.

ICTSD reporting.

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## INTELLECTUAL PROPERTY

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### WIPO Member States Advance Talks on Traditional Cultural Expressions

The UN's intellectual property agency continued deliberations last week on a draft text to safeguard traditional cultural expressions (TCEs) from misuse or misappropriation, following a three-year pause on the subject.

The discussions were held under the 33<sup>rd</sup> session of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) of the World Intellectual Property Organization (WIPO) from 27 February to 3 March.

The IGC session also constituted the first meeting on TCEs in the 2016/2017 biennium of the committee's work programme, which is working towards arriving at an international legal instrument(s) to protect traditional knowledge, folklore, and genetic resources.

The text-based negotiations on these issues have been ongoing since 2010, though lapsed for just over a year in 2014 when delegates were unable to approve a work plan and mandate for the subsequent two-year period. This was resolved at the 2015 WIPO General Assembly with a deal on both issues for the 2016/2017 "biennium." (See Bridges Weekly, [8 October 2015](#))

The IGC itself was established nearly two decades ago, in 2000, in response to concerns by biodiversity-rich countries and indigenous peoples that these resources were being misused and even exploited. It also aims to ensure that the benefits from their use are shared appropriately.

The subject of this week's session – TCEs – are [artistic expressions](#) that are passed down across generations and make up part of the cultural and social identity of a traditional community. In the draft articles, TCEs are categorised into TCEs in action, including dances, ceremonies, rituals, and sports; material TCEs encompassing handicrafts, architecture, and other artistic expressions, as well as music and sound; and verbal and written TCEs, including poetry, fables, and other narratives.

#### Revised draft text

Over the course of the week, discussions unfolded through a string of plenary meetings and "informals," convening experts – including two indigenous experts nominated by participating indigenous peoples – and up to six delegates per region nominated by WIPO member states.

Based on these discussions, facilitators Margo Bagley representing Mozambique and Marcela Paiva Véliz representing Chile presented a first revision (Rev. 1) of the draft articles on 1 March and a second revision ([Rev. 2](#)) on 3 March at the close of the week-long discussion. The session was chaired by Ian Goss of Australia.

The US tabled a [discussion paper](#) ahead of the session, enumerating examples of TCEs as a point of departure in order to "facilitate an informed discussion in the context of reaching a common understanding regarding the treatment of TCEs."

Examples included sports such as baseball and lacrosse; dances such as tango and waltz; musical instruments such as bagpipes and the banjo; handicrafts ranging from the

dreamcatcher to the cowboy boot; food including pizza, popcorn, barbecue, and sushi; as well as fairy tales and legends. A paper listing examples of traditional knowledge was similarly prepared by the US ahead of the 32<sup>nd</sup> session of the IGC. (See Bridges Weekly, [8 December 2016](#))

In addition, the EU submitted a [proposal for a study](#) for the WIPO Secretariat to examine the national experiences of WIPO member states and the domestic intellectual property measures in place aimed at protecting TCEs, building on previous studies carried out by the Secretariat.

### Revisions to the articles

Under Article I on policy objectives that the instrument aims to achieve, [the revised text](#) now has three alternatives as opposed to the earlier four in the [IGC 27 draft articles](#) transmitted to the 33<sup>rd</sup> session.

The alternatives differ in various areas, including in their use of “misappropriation,” employed in the first alternative, but substituted by “misuse/unlawful appropriation” in the second. Among other differences, there are also variations in how these alternatives are framed, with Alternative 1 saying the instrument “should aim to provide beneficiaries with the means” to prevent misappropriation and “misuse/offensive and derogatory use,” while Alternative 2 says that the instrument “should aim to prevent” such misuse.

Alternative 3, which is shorter than the above-mentioned options, refers instead to supporting the “appropriate use and protection” of TCEs under both domestic laws and the intellectual property framework.

Alternatives 1 and 2 indicate that the instrument should seek to be supportive of “creation and innovation,” which is not referred to in the briefer third alternative.

The EU and US reportedly expressed a preference for Alternative 2, each noting that Alternative 3 is open for consideration, according to IP-Watch. The African Group articulated support for Alternative 1. China also expressed its support for Alternative 1, though was reportedly hesitant surrounding option (d) on encouraging and protecting creation and innovation.

With regard to Article 2, dealing with the use of terms and definitions, a number of member states, including Indonesia on behalf of the Group of Like-Minded Countries (LMCs), did not support defining public domain, stating that it was beyond the instrument’s scope. The African Group, Egypt, Brazil, Algeria, and Nigeria were also not in favour of including a definition for public domain. Some developing countries cited no precedent in international intellectual property instruments.

Rev. 2 also included an alternative, shorter definition of traditional cultural expressions proposed by the LMCs.

Two additional alternatives were added to Article 3 covering the subject matter of the instrument from the 2014 version, the first of which was also proposed by the LMCs. Alternative 1 was reportedly supported by Indonesia, Egypt, and Senegal among others, while the EU and the United States indicated a preference for Alternative 2, which includes a five-point criteria for TCEs protected by the instrument.

Article 4 dealing with the beneficiaries of protection, formerly Article 2, has three distinct alternatives, which differ over the treatment of “other beneficiaries” that do not fall into the categories of indigenous peoples and local communities. The brackets around the word “peoples” have reportedly been supported by the EU, while Senegal on behalf of the African Group and Colombia on behalf of the Latin American and Caribbean Group (GRULAC), for example, have been proponents for their removal.



Article 5 on the scope of protection of the instrument now has four alternatives. Alternative 2 proposes granting “exclusive rights” to beneficiaries in authorising the use of TCEs to third parties, while still maintaining ownership and rights to objection to modification of the TCEs deemed to disrupt their “integrity.”

The alternative was proposed by the LMCs, and supported by Senegal on behalf of the African Group, as well as Colombia, Indonesia, Paraguay, Peru, Thailand, and the Indigenous Caucus.

Alternative 4 maintains the “tiered approach” for protection that was first proposed in IGC 27, based on differentiated levels of protection according to the nature of the TCE and the extent to which it is publicly available. The US reportedly expressed an interest in further discussing the tiered approach.

A draft report of the session will be circulated by April 2017 and will be transmitted along with the new text to the IGC’s next session this June for consideration. For those issues still outstanding, an indicative list of pending issues to be tackled at the next session will also be transmitted. Still to be defined and agreed upon are issues related to policy objectives, subject matter, scope of protection, beneficiaries, the use and meanings of certain terms, the administration of rights/interests, and exceptions and limitations.

### **Voluntary Fund**

The week opened with the announcement of a donation on behalf of the Australian government of A\$50,000 (US\$37,958) to the WIPO Voluntary Fund for Accredited Indigenous and Local Communities, established in 2005 to host the participation and support the inclusion of perspectives of indigenous peoples in WIPO negotiations.

Australia has contributed 20 percent of total donations since the inception of the IGC, according to [a news item](#) jointly issued by WIPO and Australia’s Ministry for Industry, Innovation and Science.

“It’s very important because, of course, these are the people whose expressions and whose knowledge we are supposed to be protecting,” said Francis Gurry, WIPO Director General. “I hope other member states will quickly follow suit with their own donations.”

“The Committee welcomed the contribution by the Government of Australia to the WIPO Voluntary Fund for Accredited Indigenous and Local Communities, and strongly encouraged and called upon other members of the Committee and all interested public or private entities to contribute,” noted the document outlining the [decisions](#) adopted by the IGC in its 33<sup>rd</sup> session.

ICTSD reporting; “WIPO Committee On Protection Of Folklore: Shall We Dance?” INTELLECTUAL PROPERTY WATCH, 24 February 2017; “Indigenous Peoples At WIPO Call For Respect Of Their Sovereign Rights, Prevention of Cultural Genocide,” INTELLECTUAL PROPERTY WATCH, 2 March 2017; “Australia’s Indigenous Culture Event at WIPO Showcases Human Rights Candidacy,” INTELLECTUAL PROPERTY WATCH, 3 March 2017; “WIPO Committee On Protection Of Folklore: New Inspiration From Developing Countries,” INTELLECTUAL PROPERTY WATCH, 3 March 2017.



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## TRADE AGREEMENTS

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# Canada, China Moving Closer to Potential Trade Talks

Efforts to lay the groundwork for possible negotiations on a bilateral Canada-China trade deal continue underway, with Canadian officials launching a three-month domestic consultations period last week.

In preparation for further negotiations with Beijing, the Canadian government published in its [gazette](#) that it was soliciting views on the potential deal from various sectors in Canadian society; from individual Canadians themselves to businesses, indigenous groups, and provincial governments, among others. This consultation period will last until 2 June 2017.

"Today, there are few places that offer us as many exciting opportunities for expanding growth and prosperity through trade and investment as the Asia Pacific region, and especially China," said Canadian International Trade Minister François-Philippe Champagne.

Canadian Prime Minister Justin Trudeau and Chinese Premier Li Keqiang announced last September that the two nations had started exploratory discussions on the possibility of a bilateral accord. (See Bridges Weekly, [29 September 2016](#))

They also confirmed at that time that they hope to double bilateral trade from 2015 levels by the year 2025, with the potential trade deal a possible way of meeting this goal.

The announcement of exploratory talks last year came after both sides resolved to put an end to a long-standing bilateral disagreement over canola and beef exports.

Last year, bilateral goods trade between the two economies hit C\$85.3 billion (US\$63.4 billion), according to Canadian government statistics, while bilateral investment flows were C\$33.0 billion at the end of 2015.

### Consultations

In their [joint statement](#) last September, the governments expressed their desire to expand cooperation on regional and global issues and reaffirmed their commitment to usher in a new era of global growth and sustainable development.

Ottawa has framed the public consultations as a way to help shape Canadian objectives, key interests, and potential concerns on the possibility of a free trade deal, which would help outline its parameters should the two sides decide to begin negotiations.

The notice describes China as a key market in the Asia-Pacific region, and how a potential trade pact with the Asian giant might lead to increased economic gains for Canadians as well as improved access to affordable Chinese goods.

A [2016 survey](#) by the Asia Pacific Foundation of Canada found Canadians evenly split on free trade with China.

The [announcement](#), however, acknowledges potential questions in Canada over topics such as environmental and labour issues, as well as gender concerns and human rights, and states that should Ottawa move forward with Beijing on trade talks, they would also work to push China "to meet its international obligations in these areas."

Furthermore, the gazette broadcast said that the government would ensure that “policy flexibility” is reserved on domestic public policy priorities such as environment and public health.

In further support of the governments' shared interest in a possible trade deal, China's Ministry of Commerce (MOFCOM) published a [news release](#) last month expressing China's desire to import more Canadian food in the near future.

The release quoted Canadian Agriculture and Agri-Food Minister Lawrence MacAulay stating that a future trade deal could potentially be a major way to boost Canadian agricultural exports to the Asian economy.

"The Chinese need to know what we have, and are aware of the quality of our goods and our regulatory system. I want to make sure the Chinese people are demanding more and more products from Canada," affirmed MacAulay.

ICTSD reporting; "Canada launches consultations on free trade with China," CTV NEWS, 3 March 2017; "Ottawa takes another step toward free trade agreement with China," GLOBAL NEWS, 5 March 2017; "China agrees to maintain Canada's access to \$2.6B canola market through 2020," CBC NEWS, 22 September 2016; "China, Canada resolve canola-shipping dispute," REUTERS, 22 September 2016.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

9-10 March, London, UK. COMMONWEALTH TRADE MINISTERS ROUNDTABLE. This gathering of Commonwealth trade and investment ministers will focus on the bloc's trade prospects, and will follow a trade forum prepared by the Commonwealth Enterprise and Investment Council. To learn more and to read related publications on the subject, please click [here](#).

14-15 March, Manila, Philippines. REGIONAL WORKSHOP ON INTEGRATING SOCIAL PROTECTION INDICATORS IN MONITORING SUSTAINABLE DEVELOPMENT GOALS. This workshop is organised by the Asian Development Bank (ADB) Social Development Thematic Group and funded under the Regional Technical Assistance on Assessing and Monitoring Social Protection Programs in Asia and the Pacific, with support from various partners. This workshop seeks to promote cross-country learning for supporting the monitoring of progress for the Sustainable Development Goals (SDG), specifically relating to social protection. This workshop is intended for stakeholders from ADB member countries. Please note that attendance of this workshop is by invitation only. For more information on this workshop, please visit the ADB [website](#).

16 March, London, UK. 10<sup>TH</sup> INTERNATIONAL ILLEGAL UNREPORTED AND UNREGULATED FISHING FORUM. This annual forum is organised by Chatham House and brings together over 100 leading policymakers, researchers, industry representatives, and civil society groups to discuss recent developments and research related to fisheries governance and the trade of illegal fish products. The event will include an update regarding the United Nations' Port State Measures Agreement as well as a status report on the role of new technologies and data in preventing illegal, unreported, and unregulated (IUU) fishing. For more information, please visit the Chatham House [website](#).

17 March, New York, US. THE IMPACT OF THE TRADE ENVIRONMENT ON WOMEN'S EMPLOYMENT. This panel event is jointly organised by United Nations Conference on Trade and Development (UNCTAD) and the Governments of Finland and Sweden. The panel will discuss how the trade environment has influenced the gender patterns of employment in selected countries, building from recent work by the UN agency. For more information, please visit the UNCTAD [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.

10 March: Trade Policy Review Body – Japan

14 March: Committee on Trade and Development – Dedicated Session on RTAs

14 March: Working Party on Domestic Regulation

14 March: Committee on Trade and Development

15 March: Committee on Specific Commitments

15 March: Committee on Trade in Financial Services

16-17 March: Council for Trade in Services

### **Other Upcoming Events**

22 March, London, UK, and online. ECONOMIC TRANSFORMATION: A NEW APPROACH TO INCLUSIVE GROWTH. This event is being organised by the Overseas Development Institute (ODI). This event will feature a panel of speakers from academia, government, and civil society for a discussion on economic transformation and its implications, along with what actions can be undertaken to support such a transition. This event is open to the public and will be streamed online. To learn more and register, or watch online, visit the ODI [website](#).

22-26 March, Barcelona, Spain. INNOVATE4CLIMATE: FINANCE AND MARKETS WEEK. This two-day forum is organised jointly by the World Bank and Fira Barcelona as well as supported by the governments of Spain and Germany. This forum will feature high-level government representatives, along with financial and business leaders to discuss the private sector investment needed to make possible the global transition to a low-carbon, sustainable future. For more information, please visit the World Bank [website](#).

27-29 March, Mumbai, India. SIXTH GLOBAL ECONOMIC SUMMIT ON WOMEN'S EMPOWERMENT. This event is being organised by World Trade Centre (WTC) Mumbai, with the stated objective of bringing women together from an array of backgrounds for discussions around increasing women's participation in trade and other related topics, including institutional support for women, as well as education and leadership. To learn more, visit the World Trade Centres Association [website](#).

28 March, Geneva, Switzerland. REGULATORY COHERENCE AND THE MULTILATERAL TRADE SYSTEM: LESSONS FROM THE RTAs AND OPTIONS TO PROMOTE CONVERGENCE. This dialogue is being organised by the International Centre for Trade and Sustainable Development (ICTSD) and the Inter-American Development Bank (IDB). The objective is to help support trade policymaking in the area of regulatory coherence, particularly given the developments underway with regional trade agreements and the multilateral trading system. Please note that attendance at this event is by invitation only. For more information, please visit the ICTSD [website](#).

28 March, Brussels, Belgium. EFFORT SHARING REGULATION: WHAT DEAL CAN WE EXPECT? This meeting is being organised by the International Centre for Trade and Sustainable Development (ICTSD) and the European Roundtable on Climate and Sustainable Transition (ERCST). Taking place at the European Parliament with the participation of Gerben-Jan Gerbrandy, Member of the European Parliament representing the Netherlands and part of the Alliance of Liberals and Democrats of Europe, this meeting aims to facilitate policy discussions regarding the development of the new Effort Sharing Regulation. For more information, please visit the ICTSD [website](#).

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## Resources

**DOES TRADE OPENNESS CONTRIBUTE TO DRIVING FINANCING FLOWS FOR DEVELOPMENT?** By Jean-François Brun and Sèna Kimm Gnanon for the World Trade Organization (March 2017). This new WTO working paper examples the relationship between trade and development financing, using data from 125 countries to examine issues such as official development assistance (ODA) and foreign direct investment (FDI). To learn more, or to download the paper, visit the WTO [website](#).

**ZOMBIE ENERGY: CLIMATE BENEFITS OF ENDING SUBSIDIES TO FOSSIL FUEL PRODUCTION.** By Ivetta Gerasimchuk, Andrea Bassi, Carlos Dominguez Ordonez, Alexander Doukas, Laura Merrill, and Shelgh Whittley for the Overseas Development Institute (ODI) (February 2017). This working paper discusses how the international removal of state aid supporting fossil fuel production could help in mitigating climate change and leave unburnable carbon in the ground. This working paper brings together quantitative and qualitative knowledge on fossil fuel production subsidies in relation to their climate effects, along with featuring data-related recommendations and suggestions for potential future research. The full document is available for download at the ODI [website](#).

**US TRADE POLICY OPTIONS IN THE PACIFIC BASIN: BIGGER IS BETTER.** By Jeffrey J. Schott for the Peterson Institute for International Economics (PIIE) (February 2017). This policy brief addresses US President Donald Trump's decision to withdraw the United States from the Trans-Pacific Partnership (TPP) and his stated intention to pursue new bilateral trade pacts. Schott argues that a regional trade deal like the TPP would be more beneficial than bilateral alternatives, along with outlining recommendations for improving the TPP itself. The full document is available for download at the PIIE [website](#).

**THE ROLE OF DEVELOPMENT BANKS IN PROMOTING GROWTH AND SUSTAINABLE DEVELOPMENT.** Published by the United Nations Conference on Trade and Development (UNCTAD) (December 2016). This report gives the reasoning for national development banks and shares developing country experiences with these institutions. The report calls for the establishment of new development banks and addresses related questions and concerns on the subject. The full document is available for download at the UNCTAD [website](#).

**US-MEXICO ENERGY AND CLIMATE COLLABORATION.** By Duncan Wood for the Mexico Institute at the Wilson Center (27 February 2017). This policy brief looks at the progress of Mexico's energy sector and US-Mexico relations regarding energy over the past four years. Wood proposes potential options for bilateral cooperation, including the existing forum for North American energy dialogue, which he says is a valuable resource in preparing for future trends in this field. The full document is available for download at the Wilson Center [website](#).

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