Russian Accession to WTO Forces Rethink on US Human Rights Approach

The road to formalising Russia’s WTO accession appears to be nearing an end, with the country’s Parliament set to examine the accession accord on 4 July. Meanwhile, the debate on whether to lift Cold War-era restrictions on US-Russia trade has ramped up in Washington, after bipartisan legislation geared at making Moscow a full trading partner was introduced in the US Senate on Tuesday amid burgeoning questions regarding Russia’s human rights record.

Moscow sends accession accord to Duma; vote expected within weeks

Russia’s entry into the global trade body was formally approved by WTO members last December at the global trade body’s ministerial conference, following an 18-year accession bid. (See Bridges Daily Update #3, 17 December 2011) However, the accord must be ratified domestically by the end of this summer in order for Russia to accede to the now-155 member trade club, which saw Samoa and Montenegro officially join its ranks earlier this year. (See Bridges Weekly, 2 May 2012)

In a key step in the process, last Thursday the Russian government approved the WTO accession package and passed it on to the State Duma – the lower chamber of the Russian Parliament – for ratification. Assuming the accord passes, Moscow will formally become a WTO member 30 days after ratification.

“I would like to congratulate everyone [who is in charge of the WTO accession] for the completion of such a deal,” Russian Prime Minister Dmitry Medvedev said after the Thursday announcement.
“The decision is being made and we have sent the documents [to the Duma] for ratification.”

Medvedev has publicly urged that ratification not be delayed, lest Moscow miss the deadline for ratifying its accession deal and have to restart the process to negotiate WTO entry.

**Bill repealing Jackson-Vanik amendment introduced in the Senate**

With Russia’s WTO accession package largely expected to receive Parliament’s seal of approval in a matter of weeks, questions have been flying in Washington as to whether and when the US will repeal a decades-old law that denies most-favoured nation (MFN) status for those countries that restrict freedom of emigration.

Although the US has waived application of the legislation – known as the Jackson-Vanik amendment – on Russia since the early 1990s, some fear that leaving the original law in place could put US exporters at a serious disadvantage compared to their European and Asian counterparts, who unlike the US would immediately enjoy the benefits of Moscow’s WTO membership.

US-Russia trade is relatively small, with US government data placing Moscow as Washington’s twentieth largest trading partner in goods, with US$42.9 billion in total bilateral goods trade last year. The Washington-based Peterson Institute for International Economics has estimated that Russia’s WTO accession could cause US exports to double from US$9 billion to US$19 billion over the next five years, assuming that Washington removes its trade restrictions on Moscow.

To that end, Senate Finance Committee Chairman Max Baucus, a Democrat from the US state of Montana who has championed the repeal of the Russia-focused trade restrictions, introduced a bill in his chamber on Tuesday that would establish MFN status, or Permanent Normal Trade Relations (PNTR), with Moscow. The legislation was backed by three other senators, from both major political parties.

“Jackson-Vanik served its purpose during the Cold War, but it’s a relic of another era that now stands in the way of our farmers, ranchers and businesses pursuing opportunities to grow and create jobs,” Baucus said in a statement on Tuesday. “The clock is ticking for us to move, so we need to act now.”

US President Barack Obama, for his part, has also been a vocal supporter of removing the trade restrictions. In Congress’ other chamber, the Ways and Means Committee – the House of Representatives’ counterpart to the Senate Finance Committee – is scheduled to hold its first hearing on repealing Jackson-Vanik on 20 June.

**Linkage of human rights and trade bills?**

Some US lawmakers have said they would only be in favour of repealing the Jackson-Vanik amendment in exchange for a Moscow-focused human rights bill, raising questions about the future and composition of the trade legislation in Congress.

The human rights bill, known as the Sergei Magnitsky Rule of Law Accountability Act, would subject Russian officials connected to human rights abuses to travel bans and bar them from financial transactions in the US. A version of the legislation has already successfully made its way out of the House Foreign Affairs committee, though the bill must still be passed by the entire House of Representatives, as well as receiving US Senate and presidential approval, to become law.

In a letter dated 12 June to Senators Joseph Lieberman, Benjamin Cardin, John McCain, and Roger Wicker, Baucus indicated that he is ready to support the linking of the human rights and trade bills in the Senate, despite his earlier reservations.

“I share your concerns about human rights issues in Russia,” Baucus said. “It is equally clear that many of our colleagues are rallying around the position you have advanced – that the repeal of Jackson-Vanik for Russia must be accompanied by passage of the Magnitsky Act.”

“I am fully committed to ensuring that the Senate can act on both items this year,” he continued, adding that he planned to include the full text of the Magnitsky legislation in the mark-up for the Russia PNTR bill.
Even with Baucus’ assurances, however, several Senate Republicans, led by Finance Committee Ranking Member Orrin Hatch – a Republican – have already written to the committee chairman to voice their concerns about a series of issues, human rights and otherwise, related to the Jackson-Vanik repeal.

“Several members of our caucus are deeply concerned by continuing attempts to weaken the Senate version of the [Magnitsky] legislation,” the letter said. “In addition, while it is important to address the Magnitsky legislation in the context of graduating Russia from other human rights provisions, we believe a number of other issues should be addressed as the legislative process continues.”

Among these subjects, the senators raised questions about alleged Russian barriers to US exports, Moscow’s relationship with the embattled regime of Syrian President Bashar al-Assad, and whether the country would indeed comply with adverse rulings by the WTO’s Dispute Settlement Body once it becomes a WTO member.

“We believe it will be necessary to satisfactorily address these and other issues if Congress is to successfully navigate a path toward granting PNTR to Russia,” the senators concluded. “We hope you will work with us as we consider legislative options to address remaining concerns.”

For its part, the Obama administration will not stand in the way of legislation addressing Moscow’s human rights record, though it maintains its stance that the two bills should be kept separate, according to recent comments from Washington’s top trade official.

“You’d be hard pressed to find anyone who would bet against Congress expressing their concerns on the Magnitsky matter in some way,” US Trade Representative (USTR) Ron Kirk: said last Thursday in Moscow. “It’s important to work with Congress on an appropriate mandatory response to that.”

However, Kirk added, while human rights action is necessary, the trade and human rights matters should each be dealt with individually.

“Our priority is for the Congress to lift Jackson-Vanik in a clean bill which deals only with the issue relevant to our ability to maintain our competitiveness,” he said.

**US industry, Moscow press against Magnitsky bill**

Meanwhile, opposition to the human rights legislation both in Moscow and among US industry groups continues unabated, with questions being raised about the bill’s implications for US-Russia relations should it become law.

“The Sergei Magnitsky Rule of Law Accountability Act is seriously flawed,” said Bill Reinsch, president of the Washington-based National Foreign Trade Council (NFTC). “This legislation would harm US relations with Russia and many other nations, and would jeopardise the significant benefits arising from Russian concessions during its WTO accession negotiations.”

A Magnitsky-style law would be “a gross interference in Russian internal affairs and, of course, it won’t have any positive effect on US-Russian ties, to put it mildly,” Konstantin Dolgov, Foreign Ministry’s human rights representative, told reporters in Moscow last month.

Such legislation would provoke an “adequate” response from the Kremlin, Dolgov added, without specifying what such a response might entail.

ICTSD reporting; “Senate bill to normalize trade with Russia greeted with opposition from Senate Republicans,” ASSOCIATED PRESS, 12 June 2012; “US official urges repeal of Russia trade law,” ASSOCIATED PRESS, 7 June 2012; “Human rights concerns complicate efforts to ramp up Russia trade,” THE HILL, 10 June 2012; “Russia Ready to Ratify WTO Agreements,” RIA NOVOSTI, 7 June 2012; “Russian govt approves agreements for country’s accession to WTO,” THE VOICE OF RUSSIA, 7 June 2012.
Pacific Alliance Launched in Chile

Chile, Colombia, Mexico, and Peru have inked an accord aimed at developing closer economic ties and boosting trade with Asia-Pacific countries, leaders from the four countries announced last week.

Meeting 120 kilometres south of the Chilean city of Antofagasta, in Paranal – an astronomical observatory in the Atacama desert known for its deep-space telescopes – heads of state from the four Latin American economies signed the deal, which had been proposed last year at a summit in Lima, Peru. The accord still needs to be ratified by the respective parliaments of those countries.

“We wish to join forces with this integration, but also project ourselves together toward the world of the Asia-Pacific, which is not only the world of the future, but also the world of the present,” said Chilean President Sebastián Piñera, who hosted the event.

At the Paranal meet, Costa Rica formally asked to join the four-country Pacific Alliance; Panama, meanwhile, is an observer. Canadian officials also attended the summit, in an observer capacity.

Accord provisions

Under the agreement, leaders have instructed negotiators to advance in parallel talks regarding the elimination of tariff barriers and rules of origin, with the goal of finalising these by the end of this year.

The four countries have also agreed to continue advancing the implementation of an interoperable “Single Window” system and the mutual recognition of Authorised Economic Operators, or so-called safe traders, and will work toward developing a customs co-operation agreement within the regional grouping.

A technical group has also been asked to negotiate a dispute settlement system for the bloc. In addition, the four countries have established a committee tasked with analysing existing barriers in trade in services and investment.

Other areas to be dealt with during upcoming negotiations include regulations on food safety and plant and animal health, as well as technical barriers to trade.

The deal also aims to eliminate visa restrictions for citizens of the member countries, and sets up a system that will allow students from universities in one of the group’s countries to study in those of any other member economy.

The four countries have a combined GDP of more than US$2 trillion and over 200 million consumers, and make up 40 percent Latin America’s GDP and 55 percent of the its total exports.

Asia focus

One of the main goals of the new alliance is to build a stronger relationship with Asian trading partners; Chinese exports to Latin America have grown rapidly in recent years, while Latin American exports to the Asia-Pacific region grew three times faster than those of the rest of the world between 2006 and 2010, according to data cited by Bloomberg.

The Pacific Alliance countries have said that they plan to explore new regions for setting up export promotion offices, “particularly in Asia,” and are supporting the work plan that their own respective export promotion offices launched in April 2011 toward promoting the presence of members’ goods and services in the Asia-Pacific region.

Three of the countries – Chile, Peru, and Mexico – are already members of the 21-country Asia-Pacific Economic Co-operation grouping, which also includes Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, New Zealand, Papua New Guinea, the Philippines, Russia, Singapore, Taiwan, Thailand, the US, and Vietnam.

Mercosur rivalry?

Following the announcement of the new regional grouping, trade analysts were quick to draw
comparisons with another Latin American trade bloc, Mercosur, which counts Argentina, Brazil, Paraguay, and Uruguay as full members.

The latter grouping’s two largest members – Argentina and Brazil – have lately come under fire for trade and currency policies that some of its trading partners deem to be protectionist, such as last week’s announcement that Buenos Aires would be imposing import tariffs on capital goods. These various measures have also been blamed for brewing trade tensions within the Mercosur grouping itself.

Chile, meanwhile, has been flagged as the most open economy in the region and 14th worldwide, according to the World Economic Forum. Peru comes in at 53, Mexico at 65, and Colombia at 89. Of the Mercosur countries, while Uruguay ranks at 40th for level of trade openness, Brazil ranks at 84, Argentina at 96, and Paraguay at 101.

Heads of state from the Pacific Alliance countries themselves have acknowledged that while the size of the new alliance, in some aspects, is smaller than that of the better-known Southern Cone group, their new grouping has its own advantages in other areas.

“Even when we are less in population and in the size of our economies compared to our brothers from Mercosur, we export double in volume and value than Mercosur; we have an extraordinary potential,” Mexican President Felipe Calderón commented.

However, officials from these same countries have rapidly sought to dispel any suggestions that the new grouping is trying to supplant or exclude other economies or regional blocs. Chile, Colombia, and Peru are already associate members of Mercosur, and officials have stressed that the new grouping can serve as a complement to this and other groups, rather than as a replacement.

“There are no incompatibilities or exclusion vis-à-vis other integration efforts,” Colombian President Juan Manuel Santos said last Wednesday in Paranal. “We are against nobody but rather in favour of even greater integration.”

“This is not a response to Mercosur or to Brazil,” Chile’s ambassador to Spain, Sergio Romero Pizarro, reaffirmed at a meeting in Madrid last week.

“Someone might feel that this accord is aimed at someone, but it only aims to unite the strengths that we each have individually,” Mexico’s ambassador to Spain, Francisco Javier Ramírez Acuña, added during the same meeting.

Questions have also been raised in trade circles about how successful this initiative will be, given the varied success of other integration efforts in the region; however, observers note that the fact that all four already have bilateral trade deals between themselves could help the alliance’s prospects, as could their shared goal of working together to increase their trade with Asia.

“With this Summit, we are configuring one of the major economic blocs, among the most important, competitive, and fastest-growing [countries] at a regional and global level,” Calderón underscored at the Paranal meet.

EU Farm Support: Rapporteur Calls for Simpler ‘Greening’ Measures

The EU should maintain but simplify new ‘greening’ requirements for farmers receiving direct payments under the bloc’s post-2013 farm policy, according to a draft report that will be discussed next week by the European Parliament.

The report, by Portuguese Member of the European Parliament (MEP) Luís Manuel Capoulas Santos, proposes easing requirements for farmers to maintain permanent grassland, diversify their crops, and protect ‘ecological focus areas’ in order to receive a new ‘green’ payment under the EU’s reformed Common Agricultural Policy (CAP).

However, the move may not be enough to satisfy farm ministers in the European Council, who have argued that plans to impose uniform conditions on all the bloc’s farmers should be scrapped in favour of a ‘menu approach’, under which each government could choose which environmental measures should apply (See Bridges Weekly, 16 May 2012).

At the same time, it dilutes a number of requirements which the European Commission had argued are important for ensuring meaningful environmental outcomes.

New ‘co-decision’ procedures introduced under the Lisbon Treaty will require both the European Parliament and the European Council to agree on the proposals tabled by the European Commission last October (see Bridges Weekly, 12 October 2011).

The Capoulas Santos report will be discussed next Monday and Tuesday at the parliament’s committee on agriculture and rural development, alongside drafts on the single common market organisation; financing, monitoring, and management; and rural development.

Environmental sustainability: a ‘sine qua non’

“The transition to more environment-friendly agriculture in Europe is a sine qua non for the sector’s viability,” the rapporteur observes in an explanatory note at the end of the seventy-page document.

Although his note makes no explicit mention of the impact of EU farm support on developing countries, it does mention the importance of remaining competitive in the global economy.

“European agriculture also has to remain competitive with Europe’s main trading partners, which are highly subsidised and/or subject to less stringent production rules,” Capoulas Santos claims.

In an implicit acknowledgement of environmental groups and others who have argued that taxpayers’ money needs to deliver clear and measurable outcomes for public goods, the rapporteur states that “resources must be assigned to ends recognised to be valuable by taxpayers and society, shared out as fairly as possible among farmers, regions, and member states.”

Greening no longer ‘mandatory’?

The proposal by Capoulas Santos deletes language from the Commission’s original proposal that described the new green payment as mandatory.

Under the new proposals, EU member states would use part of the money they receive from the Commission every year for direct payments to reward farmers for complying with the compulsory practices that the Commission had originally identified – crop diversification, maintaining permanent grassland, and ecological focus areas.

The rapporteur also proposes a fourth category of environmental measures – maintaining “perennial crops associated with appropriate agronomic practices” – in order to ensure that farmers with permanent crops such as olive groves, vineyards, or orchards also receive the ‘green’ payment.

Ecological focus areas

The Capoulas Santos draft would require only those farms that are larger than 20 hectares to maintain seven percent of their eligible land, which excludes permanent grassland, as ‘ecological focus areas’ – such as fallow land,
terraces, buffer strips, and forests – rather than all farms, as the Commission had originally proposed.

In order to encourage the creation of ‘biodiversity corridors’, this share would fall to five percent if farmers collaborated with their neighbours to establish ecological focus areas that were adjacent to one another.

The list of areas that would qualify under the new rules is also expanded to explicitly include “hedges or stone walls,” as well as “land planted with nitrogen-fixing crops.”

**Crop diversification, permanent grassland**

Under the rapporteur's proposals, farms between five and twenty hectares would need to have at least two different crops, neither of which should cover more than ninety percent of the arable land. The Commission had originally proposed that all farms larger than three hectares would need to have at least three different crops – a requirement which the rapporteur suggests should still apply to all farms larger than twenty hectares.

As under the original proposal from the Commission, farms smaller than fifty hectares will not have to abide by the crop diversification plans if they are covered by permanent grassland, historical pastures, or permanent crops.

Capoulas Santos also proposes extending the green payments to farmers maintaining historical pastures, which he argues “are equivalent to the extent that they are likewise permanent and associated with extensive farming.”

**Airports, mining companies are not “active farmers”**

The rapporteur proposes that EU member states should be allowed to define who should be eligible to receive direct payments as an ‘active farmer.’

However, they should exclude from their definition “transport companies, airports, real estate companies, companies managing sport grounds, campsite operators, and mining companies,” according to the proposal.

The Commission had earlier proposed an illustrative list of beneficiaries to whom governments should “refrain from” providing direct payments.

**“Green by definition”**

The proposal increases “the flexibility of the greening measures by widening the range of eligible options and making the system simpler to implement,” the rapporteur argues.

Some farmers will therefore automatically qualify for the ‘green’ payment – an idea first mooted by the European Commission, which had suggested that organic farmers should qualify as green ‘by definition’.

Capoulas Santos suggests expanding this to allow for farmers enrolled in ‘agri-environment’ schemes and other similar programmes to qualify automatically for the new payments.

Alan Matthews, professor emeritus of European agricultural policy at Trinity College Dublin, observes in an online commentary that “it seems impossible to avoid” many farmers receiving a double payment, under both EU agri-environment programmes and the new ‘green’ component of the direct payment.

**Payments to large farms**

Building on the Commission’s proposals to cap payments to large farms at a maximum of €300,000, the rapporteur argues that subsidy payments that are less than this amount but more than €250,000 should be cut by eighty percent – rather than the seventy percent originally proposed by the Commission.

Cuts to the subsidies for farms receiving €150,000 and €200,000, and those receiving between €200,000 and €250,000, would remain unchanged.

**Divergence across member states**

Capoulas Santos also argues that there is a need to speed up convergence among member states, in order to reduce the extent that any given country receives substantially more or less than the European average.
“No member state, under any circumstances, will be 65 percent below the EU average,” he proposes in the report.

“That particular decision will be taken by Foreign Ministers and probably ultimately Heads of State in negotiations over the Multi-annual Financial Framework,” Matthews told Bridges, in a reference to the EU’s separate talks on the budget for 2014-2020. The rapporteur’s proposals could nonetheless be expected to be taken into account, he said.

Amendments due

Following next week’s debate over the draft report, parliamentarians will have until 9 July to table amendments. In principle, these should then be taken into consideration, along with ‘opinions’ from the parliament’s environment and development committees – although “they might be completely ignored,” one Brussels insider grimly observed.

When the European Parliament returns from its summer break in September, it will then have to reconcile the various proposed amendments, as well as the views expressed by the European Council, ahead of a vote in November.

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Lamy Cautions Against “Alarming” G-20 Trade Restrictions, Urges Members to Push Forward on Doha

“Given the deterioration and trade outlook, 2012 cannot be a wasted year,” WTO Director-General Pascal Lamy told members in an informal gathering last Thursday, repeating earlier calls for rebuffing protectionism and moving the eleven-year Doha talks forward. The comments come as leaders of the Group of 20 leading economies prepare to meet next week in Los Cabos, Mexico, where protectionism is expected to be one of the headline items on the agenda.

Protectionism on the rise

“For the first time since the beginning of the crisis in 2008, this report is alarming,” the trade chief said at the informal ‘heads of delegation’ meeting, referring to a recent report of rising trade restrictions in G-20 economies. (See Bridges Weekly, 6 June 2012)

The WTO report found that 124 new trade restrictive measures have been introduced within the grouping over the past seven months, with the total number of measures implemented since 2008 now covering nearly 3 percent of world merchandise trade and almost four percent of G-20 trade.

“This situation is adding to the downside risks to the global economy and what is now a volatile global context,” he added, calling on WTO members to “redouble” efforts toward strengthening multilateral co-operation to resolve the current economic crisis and minimise trade and investment tensions.

“This will be part of the message that I will [be] sharing with leaders at the upcoming G-20 summit on 18 June.”

With the UN Conference on Sustainable Development, or Rio+20, slated to be held on 20-22 June – immediately after the G-20 talks – Lamy told members that open markets would also be at the top of his agenda during the Brazil-hosted talks.

“I will stress, like I have in the context of food security, that open trade is part of the solution to our collective sustainability challenges, not part of the problem.”

Delegates at Thursday’s gathering largely echoed the trade chief’s concerns, with the EU noting that such restrictions are “threaten[ing] to clog the international trade avenues and increase the downward risk for the world economy even beyond the pain we are already feeling at present.”

Trade facilitation

Meanwhile, negotiations on trade facilitation have continued in Geneva during the past week, with
facilitator-led talks and informal discussions with capital-based officials. Another cluster of facilitator-led talks is expected by the end of June, Lamy said, ahead of the July Negotiating Group session and a new revision of the draft trade facilitation text.

The trade chief also noted that some members have been suggesting the launch of another needs-assessment programme for developing and least developed countries, and said that such a process “could help bring the element of resources needed for implementation into the equation in a concrete way” that allows members to develop a basis for matching special and differential treatment provisions with trade facilitation commitments.

However, concerns by some members over whether trade facilitation should be de-linked from other Doha issues were again raised at Thursday’s meeting, with Mauritius – speaking on behalf of the African, Caribbean, and Pacific (ACP) country group – reportedly arguing that any attempt “to ring-fence one or two issues” at the expense of crowding out others would not work.

Calling into question the argument of some members that trade facilitation is a “self-balancing pillar” in the Doha negotiations, Mauritius argued that trade facilitation is instead a public good that benefits all members, and therefore the implementation of new trade facilitation commitments for those most in need is more important than just negotiating members’ obligations.

Trade facilitation could, however, still fit in an early picture of Doha deliverables, Mauritius added. Others, like Australia, repeated arguments that the trade facilitation talks should move forward on its own merits, and not be linked to other issues.

**Lamy: Time for less talking, more walking on Doha**

While negotiations in some areas, like the Dispute Settlement Understanding and trade facilitation talks, are moving forward, “the level of activity has been lower, to say the least” on other Doha issues, the trade chief said.

“Since [the December ministerial conference] I have heard a lot of ‘talk’ about new ideas and approaches,” Lamy said. “Maybe it is time we see a bit of ‘walk’.”

While some members spoke to support moving the negotiations forward in areas where progress might be made, others – such as Australia – urged that other more contentious Doha issue areas, such as agriculture, not be left by the wayside in the discussions.

**Laos accession imminent; Indonesia expected to host next ministerial**

The WTO is also expected to soon see Laos complete its negotiations to join the global trade body, a process that dates back to 1998. The Asian LDC recently clinched its last bilateral deal, surpassing one of the last remaining obstacles for its WTO accession.

Despite this development, however, the Director-General urged members last Thursday to “redouble” their efforts to allow another prospective LDC member – Yemen – to soon join the 155-member trade body.

Also at last Thursday’s meeting, WTO General Council chair Elin Johansen of Norway reported that Indonesia’s offer to host the next ministerial conference – the highest decision-making body of the WTO – next year has so far been met with a positive response among members, though consultations are still ongoing.

The venue for the December 2013 ministerial is expected to be adopted at the next meeting of the General Council, slated for 25-26 July. Trade observers will also be watching the next General Council meeting to see if members meet their July goal of strengthening accession guidelines for LDCs, particularly in the area of benchmarks in goods negotiations.

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**Counterfeit, Trademarks, and Copyright Top the Agenda at TRIPS Council**

Last week’s meeting of the WTO’s Council on Trade-Related Aspects of Intellectual Property Rights (TRIPS) saw talks proceed on a host of issues, including counterfeit goods, exceptions and limitations to copyright, and a long-running dispute over a Cuban rum trademark.

**US, Japan table submissions on counterfeit goods**

The topic of counterfeit goods resurfaced at the 5 June meeting, with several developed countries – including the EU, Canada, Mexico, South Korea, and Switzerland – arguing that such products can have serious health and safety implications.

Discussions on the topic were based on a paper by the US (IP/C/W/570) on securing supply chains against counterfeit goods and a paper by Japan (IP/C/W/571) on trends in the seizure of counterfeit goods. Both papers are available online at [http://docsonline.wto.org](http://docsonline.wto.org).

Developing countries such as Brazil, China, and India argued that intellectual property rights infringement should not be confused with substandard products, and that the protection of supply chains should instead be the responsibility of the private sector.

India, for its part, argued that a focus on substandard goods could have detrimental effects on access to legitimate generic medicines. The EU has previously seized legal generic drugs from India – the world’s largest generics producer – in transit through European ports on the basis of a supposed trademark violation.

India noted that the issue of IP enforcement is “distinct from issues of quality and safety,” as the TRIPS Agreement itself does not make a connection between counterfeit goods and quality and safety of goods. Making that link “marginalises the role of other agencies that are actually mandated with the responsibility of ensuring standards, quality and safety,” added the Indian delegate.

In that context, India made reference to a newly-established mechanism agreed upon in last month’s World Health Assembly “to protect public health and promote access to affordable, safe, efficacious and quality medical products, [and] promote … the prevention and control of substandard/spurious/falsely-labelled/falsified/counterfeit medical products and associated activities.” (See Bridges Weekly 30 May 2012).

These issues “do not fall within the purview of the TRIPS Agreement and therefore are beyond the mandate provided to the TRIPS Council,” India concluded.

**Brazil, US join forces on visually impaired instrument**

At the request of the US and Brazil, a specific agenda item was added to this session of the TRIPS Council to discuss the status of negotiations on exceptions and limitations to copyright for the visually impaired at the World Intellectual Property Organization (WIPO).

Brazil made a reference to a recent joint statement by Brazilian President Dilma Rousseff and US President Barack Obama that mentioned both countries’ commitment “to the conclusion of an effective international instrument in the WIPO that ensures that copyright is not a barrier to equal access to information, culture, and education for visually impaired persons and persons with print disabilities.”

In its intervention at last week’s meeting, Brazil noted that “this is a moment when negotiations have made a good deal of progress, but further intergovernmental engagement will nonetheless be needed to complete them successfully,” highlighting the need for a diplomatic conference for a treaty on the subject.

The US, meanwhile, noted that while “there is general agreement in [WIPO’s Standing Committee on Copyright and Related Rights, or SCCR] as to the desired objective, there is no agreement yet on how to get there,” specifically regarding what form such an instrument might take.
The topic will continue to be discussed at the next session of the SCCR, slated for 16-25 July.

Rum trademark causes a stir

Another issue that came to the forefront during the discussions was a decade-old ruling (DS176) by the WTO Appellate Body on registering trademarks in the United States involving Cuba. The complainant in the case was the European Communities – now the EU – with Japan and Nicaragua as third parties.

The Appellate Body found that Section 211 of the US Omnibus Appropriations Act of 1998, which prohibits “those having an interest in trademarks/trade names related to certain businesses or assets confiscated by the Cuban Government from registering/renewing such trademarks/names without the original owner’s consent,” was inconsistent with WTO rules.

Though not a complainant in the original case, Cuba argues that the US Patent and Trademark Office and the US Supreme Court have both rejected a request to renew a Cuban company’s “Havana Club” trademark, which it had held in the US for over 30 years. The island country claims that Washington has failed to implement the WTO ruling by instead giving the “Havana Club” trademark to US-based company Bacardi.

The US, for its part, has consistently held that it is working on implementing the provisions of the ruling.

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IN BRIEF

Farm Bill Debate Kicks Off in US Senate

Negotiations on legislation that will drive US agriculture spending for the next five years are now in full swing in Washington, after the Farm Bill was opened for debate on the Senate floor last Thursday. Observers, however, note that the politics of the 2012 presidential election will likely pose major obstacles in moving the legislation forward.

The Senate Farm Bill – termed the Agricultural Reform, Food and Job Act of 2012 – aims to cut US$24 billion in agricultural spending over the course of ten years. (See Bridges Weekly, 2 May 2012) The negotiations on support, particularly for crops favoured by farmers in Southern states, are widely expected to drive the upcoming debate. More than 200 amendments to the bill have been offered thus far in the negotiating process, though not all of them will be debated or accepted.

The Republican-dominated House of Representatives is currently drafting its version of the Farm Bill in the specialised committee on agriculture. Unlike its counterpart in the Senate, the committee has not yet finalised a bill, but is expected to do so in the coming weeks. The House has yet to schedule its own debate on the Farm Bill on that chamber’s summer agenda.

In the US political system, both chambers of Congress – the House and the Senate – must agree to a bill before it can become law; any legislation also requires presidential approval.

Election politics putting bill at risk, some say

With the US presidential election scheduled for November, some Farm Bill proponents fear that the bill may become wrapped up into a broader discussion on government spending that is only likely to intensify in the coming months, and thus hope to pass the new legislation ahead of any new federal budget battles or campaign-driven sparring.

The election year dynamic already appears to have seeped into the Farm Bill debate, with Democratic Party leaders such Senator Harry Reid of Nevada charging that Republican intransigence against the bill is a strategy aimed at “kill[ing] job-creating bills in the hopes of harming the economy and hurting President [Barack] Obama.”

Economic conservatives, on the other hand, have called the bill “agribusiness as usual,” arguing that the new crop insurance programme merely
supplants the direct payments that have been eliminated as largess to farmers.

Another group of activists would like to see a more systemic overhaul of the bill that shifts support away from large-scale production of agricultural commodities towards fruits and vegetables, among other nutritional, social, and environmental objectives.

**Uncertain prospects**

Experts that have spoken to Bridges over the course of the year have expressed doubts about the ability of Congress to pass a complete bill in 2012, often adding a word of caution on the unpredictability of the process. For example, Senator Rand Paul, a Republican from Kentucky, objected to a vote on the bill this past Wednesday in the absence of an amendment cutting off aid to Pakistan. The country has come under criticism for prosecuting a physician that may have helped the US Central Intelligence Agency (CIA) locate Osama Bin Laden.

Observers of the Farm Bill process note that any delays on the Senate side could kill the bill in that chamber and potentially stymie progress on its House counterpart, a result that could lead to chaotic consequences when the legislation currently in effect expires on 30 September.

**Post-election repeal?**

Though the carbon tax is now officially law, retailers, coal and construction industries, and opposition parliamentarians have continued to fight against the tax, on the grounds that the scheme could lead to coal mine closures, job losses, and increased costs of living. Many argue that the “trickle down” effect will compound the cost of goods and inputs throughout the Australian supply chain, and ultimately be passed down to the general public.

Gillard has attempted to assuage these concerns, with her government pledging A$7 billion in tax cuts and assistance to eight million households to offset these costs. In the month before the tax kicks into effect, more than A$1 billion has been paid to families, pensioners, and students.

The Gillard government has also offered an A$1.3 billion compensation package to help the most polluting coal mines adapt to the new policy (See Bridges Weekly, 12 October 2011). The coal industry, which earned A$46 billion in export earnings in 2010, is Australia’s largest export industry and is expected to be one of the hardest hit by the measure.

However, opposition party leader Tony Abbott has repeatedly said that he will repeal the tax should he replace Prime Minister Julia Gillard in the 2013 federal election.

“If Julia Gillard wanted to take the pressure off Australian families, if she wanted to make it easier for Australian families to meet their bills, she could cut those increases in half by abolishing the carbon emitted on the country’s 500 largest polluters, many of whom produce energy, heavy goods, and metals. The tax will be increased by 2.5 percent annually over three years until 2015, at which point an emissions trading scheme will replace it.

The measure is aimed at cutting 160 million tonnes of carbon by 2020, as part of the government’s plan to curb carbon emissions by five percent of 2000 levels by 2020. Supporters expect the scheme to spur multi-billion dollar investments in new and cleaner energy sources.

**Political Wrangling Continues as Australian Carbon Tax Prepares to Take Effect**

With the Australian carbon tax set to enter force on 1 July, debate between the country’s major political parties over the measure has continued unabated, with the opposition pledging to repeal the measure should it win the next election.

The Clean Energy Agreement – which passed narrowly through Australia’s legislature last fall – will impose a carbon tax of A$23 per tonne of
carbon tax,” Abbott told reporters in the South Australian city of Adelaide.

Gillard and Abbott have been jockeying for position in the polls for months, with the latest figures giving the current prime minister a four percentage point advantage against her opponent. The 42-38 margin is the largest she has had against Abbott since December.

However, Gillard has questioned such claims, telling reporters that should Abbott win office, he “[will say it’s] all too difficult… it’s all too hard, I can’t do it now.” The Prime Minister has said that she is confident that the “noise and fear” will subside once the measure is implemented in July.


“CERN Easy Access IP joins existing technology transfer opportunities offered by CERN,” explained Giovanni Anelli, Head of CERN’s Knowledge Transfer Group. “It is an additional tool to maximize access to our technologies and know-how.”

The Knowledge Transfer Group already runs several initiatives on technology dissemination, such as a Knowledge Transfer Fund and the CERN Open Hardware Licence (OHL), a legal framework to facilitate knowledge exchange in the electronic design community.

“Sometimes our technologies are [at] too early [a] stage for a company to risk investment,” Anelli said. “By offering free access, we aim to encourage our partners to evaluate and commercialise those technologies, thus making it easier for CERN and industry, both spin-off companies and established ones, to work together.”

With the initiative in place, interested partners can now enter into both exclusive and non-exclusive license agreements with CERN on five high-tech devices included in the Easy Access IP list.

As a trade-off for obtaining a royalty-free license, those who use CERN Easy Access IP technologies will have to acknowledge the research centre’s contribution and update its Knowledge Transfer Group regarding the development of any invention using these technologies.

“We strive to be as flexible as possible when it comes to dissemination of our intellectual property,” Enrico Chesta, Head of the Technology Transfer and IP Management Section, said.

The technologies will be shared with companies “willing and able to take them to the market with clear benefits for the economy and for society,” Chesta added. “The return for us is the establishment of strong, lasting relationships with external partners.”

ICTSD reporting.
EVENTS & RESOURCES

Vacancies

The Organisation for Economic Co-operation and Development (OECD) Development Centre is seeking candidates for a Development Economist position. Candidates should possess strong empirical skills and experience in the fields of poverty reduction and social development. The selected candidate will head the Poverty Reduction and Social Development (PRSD) unit; be involved in the Perspectives on Global Development publication; provide support to the production of regional outlooks; and co-ordinate work streams in various issue areas including gender and migration. For the full job description, please visit the OECD’s application webpage.

The Organisation for Economic Co-operation and Development (OECD) Development Centre is seeking a manager to head the Perspectives on Global Development (PGD) division. The job will involve the following: conducting applied research on economic development; managing dialogue processes; overseeing the thematic work of the OECD in accordance with the strategic orientations given by the Centre’s Director, among other tasks. For the full job description, please visit the OECD’s application webpage.

Events

Coming soon

Present-15 June, online. RIO DIALOGUES PUBLIC VOTE. The 100 recommendations generated from the first phase of the Rio Dialogues are now available for voting by the general public. These recommendations will be ranked by the support received inside the platform and by the votes received on the public site, and will be presented at the Rio+20 Conference later this month. To vote, or to find out more, please click here.

13 June, Paris, France. COMPACT CITY POLICIES: A COMPARATIVE ASSESSMENT. This book launch, organised by the Organisation for Economic Co-operation and Development (OECD), will assess compact city policies across OECD member economies in relation to green growth objectives. It will also propose compact city models and strategies for achieving better outcomes. The focus is on the potential of urban spatial policies in fostering economic growth and development while preventing environmental degradation and climate change. For more information, please click here.

14 June, online. RUSSIA’S WTO ACCESSION: WHAT IT COULD MEAN FOR YOUR BUSINESS. This US Commercial Service webinar will focus on Russia’s upcoming WTO accession and its implications and opportunities for US businesses. Speakers will include experts on Russia’s market and trade policy from the US Embassy in Moscow and from the US Commerce Department’s Market Access & Compliance unit in Washington. Topics will include current market conditions in Russia; the specific benefits of Russia’s accession for US companies; and efforts to establish permanent normal trade relations with Russia. For more information, please visit the event website.

14-15 June, Paris, France. LINKING RENEWABLE ENERGY TO RURAL DEVELOPMENT. Organised by the Organisation for Economic Co-operation and Development (OECD), this event will launch the OECD’s new publication, Linking Renewable Energy to Rural Development. The publication is the outcome of a two-year study involving 16 regions in ten OECD member economies. It provides analysis on how rural regions can use their renewable resources to create stable employment opportunities, boost investment and human capital, and create an enabling institutional and governance framework. For more information, click here.

15 June, Rio de Janeiro, Brazil. GREEN ECONOMY AND TRADE: ASSESSING RISKS AND OPPORTUNITIES. Jointly organised by International Centre for Trade and Sustainable Development (ICTSD), United Nations Environment Programme (UNEP) and International Trade Centre (ITC), this event aims to inform the Rio+20 dialogue on trade and green economy by focusing on the trade opportunities
associated with the transition to a green economy. A recent study completed by UNEP, ITC and ICTSD will be presented, mapping and analysing existing trade related opportunities for developing countries in the transition to a green economy. For more information, click here.

18 June, Rio de Janeiro, Brazil. MULTI-STAKEHOLDER DIALOGUE ON TRADE OPPORTUNITIES IN THE CONTEXT OF A GREEN ECONOMY TRANSITION. Jointly organised by International Centre for Trade and Sustainable Development (ICTSD), United Nations Environment Programme (UNEP) and International Trade Centre (ITC), this full-day dialogue will identify trade opportunities for developing countries in the context of the transition to a green economy. The event will draw policy lessons on development opportunities, poverty eradication and social equity based on concrete examples. For more information, click here.

18 June, Geneva, Switzerland. LAUNCH OF THE 2012 AFRICAN ECONOMIC OUTLOOK. This event, jointly hosted by the International Labour Organization's (ILO) Division for Africa, the Organisation for Economic Co-operation and Development's (OECD) Development Centre, the UN Development Programme, and the UN Economic Commission for Africa, will feature the launch of the 2012 African Economic Outlook. The report finds that last year's Arab uprisings undermined the initial rebound of African economies from the world economic crisis, and argues that Africa must keep its focus on reforms that encourage growth and ease the social tensions that set off the Arab revolutions. To register for the event, please contact Yvette.CHANVOEDOU@oecd.org.

19 June, Rio de Janeiro, Brazil. TRADE AND SUSTAINABLE DEVELOPMENT SYMPOSIUM. The International Centre for Trade and Sustainable Development (ICTSD) and the Centro Brasileiro de Relações Internacionais (CEBRI) are convening this symposium with the aim of generating new and innovative proposals for fostering strong multilateral regimes supportive of trade and sustainable development. The goal of the event is to generate dynamic thinking, analysis, and dialogue on issues of relevance to the Rio+20 negotiations and beyond. For more information, please click here.

18-19 June, Los Cabos, Mexico. G-20 MEXICO SUMMIT. Leaders from the Group of 20 leading economies will meet over two days to discuss a range of issues, including restoring global economic stability; reforming the international financial system, economic restructuring for growth and employment; green and inclusive growth; as well as food security, climate finance, and development, among other issues. For more information, please visit the G-20 Los Cabos official website.

20-22 June, Rio de Janeiro, Brazil. RIO+20 UNITED NATIONS CONFERENCE ON SUSTAINABLE DEVELOPMENT (UNCSD). The UNCSD, also known as Rio+20, will bring together world leaders, along with participants from governments, the private sector, NGOs and other groups, to discuss how to reduce poverty, advance social equity, and ensure environmental protection. The event marks the 20th anniversary of the 1992 United Nations Conference on Environment and Development (UNCED), also held in Rio de Janeiro, and the 10th anniversary of the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg. The Conference will focus on two themes: (a) a green economy in the context of sustainable development and poverty eradication; and (b) the institutional framework for sustainable development. The Conference will result in a focused political document. For more information, please visit the UNCSD webpage.

**WTO Events**

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

19-20 June: Committee on Regional Trade Agreements
20 June: Committee on Agriculture
22 June: Council for Trade in Goods
25 June: Dispute Settlement Body
25, 27, 29 June: Working Party on GATS Rules
25 June: Committee on Specific Commitments
26 June: Workshop on Trade in Financial Services Development
26 + 28 June: Trade Policy Review Body – Colombia
27 June: Working Party on Domestic Regulation
28 June: Sub-Committee on Least-Developed Countries

Other Upcoming Events

21 June, Rio de Janeiro, Brazil. BREAKING DOWN THE POLITICAL BARRIERS TO FOSSIL-FUEL SUBSIDY REFORM. Jointly organised by the International Institute for Sustainable Development’s (IISD) Global Subsidies Initiative and the Government of Switzerland, this Rio+20 side event aims to foster an open and constructive discussion among all stakeholders on the political barriers to fossil fuel subsidy reform. The event will also address the challenges facing reform, such as the political repercussions if reforms are introduced too quickly, and without sufficient public support. For more information, click here.

21 June, Rio de Janeiro, Brazil. GREEN ECONOMY AND AGRICULTURE: TOOLS TO FIGHT AGAINST CLIMATE CHANGE. This event is co-organised by IRD (French Research Institute for Development) with ADEME (French Agency for Environment & Energy Management) and the UN Food and Agriculture Organisation (FAO). The Rio+20 side event will include a discussion on a carbon assessment of agricultural activities and forestry projects, and a demonstration of the tools available to involve stakeholders in combating climate change. For more information, click here.

24-26 September, Geneva, Switzerland. WTO PUBLIC FORUM 2012. Convening under the theme “Is multilateralism in crisis?”, the Public Forum is the WTO’s largest annual outreach event. It aims to provide a platform for participants to discuss the latest developments in world trade and to propose ways of enhancing the multilateral trading system. The event regularly attracts over 1,500 representatives from civil society, academia, business, the media, governments, parliamentarians, and intergovernmental organisations. Event organisers are currently inviting submissions of short articles of no more than 1,000 words on the themes of the Forum, along with views on the articles submitted by others. Articles should be sent to publicforum2012@wto.org, indicating discussion forum on the subject line. For more details about this event, visit the WTO’s website.

Resources

US ANTI-DUMPING DUTIES ON CHINESE SOLAR PANELS: A COSTLY STEP. By Gary Clyde Hufbauer and Martin Vieiro for the Peterson Institute for International Economics. The authors argue that US anti-dumping and countervailing duty laws should be reformed to correct a “distorted” process that only considers the impact of imports on competing domestic firms, and not downstream users of the affected product. The authors further argue that US laws should call for a balanced evaluation that also considers the impact of penalty duties on downstream domestic industries and, in cases like solar cells, their environmental consequences. To read the article, please visit the Peterson Institute webpage.

BIOFUEL DO BRASIL? IMPACT OF MULTINATIONAL BIOFUEL MANDATES ON AGRI-FOOD TRADE. By Martin Banse, Franziska Junker, Anne Gerdien Prins, Elke Stehfest, Andrzej Tabeau, Geert Wolter, and Hans van Meijl for the International Association of Agricultural Economists 2012 Conference (2012). This paper analyses the consequences of enhanced biofuel production in regions and countries of the world that have announced plans
to implement or expand on biofuel policies. This paper aims to build on existing research by considering biofuel policies in the EU, the US, and various other countries with considerable agricultural production and trade, such as Brazil, India, and China. The authors find that some indicators with high political relevance, such as agricultural prices and greenhouse gas emissions from land use, do not necessarily react proportionally to increased demand for agricultural products from the biofuel sector, and argue that this finding should be considered in the design of biofuel policies. For more information, click here.

GLOBAL OUTLOOK ON SUSTAINABLE CONSUMPTION AND PRODUCTION POLICIES. Published by the United Nations Environment Programme (June 2012). This publication is a review of policies aimed at promoting the shift toward sustainable consumption and production (SCP) patterns. It analyses 56 case studies ranging from global multilateral agreements and regional strategies to specific policies and initiatives being implemented by governments, businesses, and civil society organisations. Its main objective is to provide information about existing activities promoting SCP, to identify best practices, and to provide recommendations to adapt, replicate, and scale up SCP policies going forward. To access the article, click here.

A POCKET GUIDE TO SUSTAINABLE DEVELOPMENT GOVERNANCE, SECOND EDITION. Jointly published by the Commonwealth Secretariat and Stakeholder Forum (February 2012). This publication sets out to reduce the perceived ‘knowledge gap’ on the history and dynamics of global governance for sustainable development. The topic of sustainable development governance is vast, and as such, the authors have distilled it into four major fields: global institutions, key concepts for sustainable development governance, reform proposals, and framework processes to date. The guide is intended to provide the necessary knowledge to allow both governmental and non-governmental stakeholders familiarise themselves with the key issues more comprehensively before the Rio+20 conference. For more information, click here.