



PURSuing SUSTAINABILITY IN THE GLOBAL ECONOMY

**ICTSD
PROFILE
2013**



International Centre for Trade
and Sustainable Development

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MESSAGE FROM OUR DIRECTOR



By Ricardo Meléndez-Ortiz
ICTSD's
Co-Founder and
Chief Executive

Gazing ahead to 2013, what will the world look like? And what is needed to realize widely held aspirations for a fairer, more sustainable global economy? At ICTSD we estimate our potential and ability to contribute to resolve such big questions based on an informed and intuitive reading of trends, but also of the lessons we've learnt and the analyses we've promoted and policy dialogues we've staged. We are well aware of the big challenges facing the globe, threatening sustainability and affecting prospects for a better living for all. And we have much admiration for all social entrepreneurs, businesses and governments who continuously apply themselves to devise solutions and engage in trying them. On our end, we've chosen to apply our energy and talents to the governance level and to focus specifically on the global and open nature of the world's economy. How to ensure that sustainability is the direction it takes, is the aim we're steered to reach. We've made this choice, persuaded that in such a world, not only individual initiative and governments' interventions matter, but that international frameworks and policies increasingly determine the possibilities to use and – in an increasingly unequal world – allocation of resources. And trusting that a combination of traditional

institutionalized international co-operation and new schemes of inclusive collaborative governance can provide powerful levers to take us to safe port.

This ICTSD Profile 2013 is intended to provide a first impression of how we do that. How we've organized ourselves in complex arrangements of collaborations that bring together minds and experience, and since 1996 set a programme that through mutually supportive dynamics combines information, policy dialogues, research and analysis, and training and capacity building. By keeping a daily pulse on what is happening in the policy front, and doing so by streaming directly from multiple sources located around the globe, and sharing it through our periodicals in six languages, we are in a position to generate a timely

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IN ITS ESSENCE, ‘GREEN ECONOMY’
MUST REFER TO ECONOMICS IN THE
NAME OF SUSTAINABILITY: A SYSTEM
OF INTERACTIONS AMONG MARKETS,
ENVIRONMENTAL FORCES, AND
SOCIAL POLICIES THAT SUPPORTS
HUMAN SUBSISTENCE AND
FREEDOMS OVER GENERATIONS.”**

impact through systematically convening policymakers and stakeholders to engage in purposeful dialogue and problem-solving, and organizing research and analysis by reaching out to the most capable minds and providing voice to traditionally disadvantaged actors.

The past four years have seen economic mayhem and a loss of trust in institutions, policies and governance. Still, parts of the world have continued to grow at unprecedented rates and millions of people lifted out of poverty. Looking at critical resources – their production and markets – many believe that we are currently at a tipping point, from a world of plenty unto one in which the planet's resources have been compromised in their ability to sustain our routines. Looking at livelihoods, inequality seems to be pervasive in all types of economies. And the number of people without access to nutritious food, minimal health care, water, and modern, non-polluting, sources of energy and other means of maximizing their freedoms and capabilities, is still unacceptable for a twenty-first century world. At ICTSD, we're committed to support all approaches to governance that target effective resolution of these shortcomings.

MESSAGE FROM OUR CHAIR



By David Runnalls

Former President of the International Institute for Sustainable Development (IISD); Co-founder of the International Institute for Environment and Development (IIED)

I was there at the creation of ICTSD 16 years ago. At that time, I was President of the International Institute for Sustainable Development, one of the pioneers in the integration of trade and environment into the concept of sustainable development. Along with a number of other organizations interested in environment, development and trade, we saw the need for an organization to act as a knowledge broker between civil society in the South and the trade and environment communities in the North.

In those days, discussion focused on the implementation of the Uruguay Round and the concerns over potential conflicts between the Multilateral Environmental Agreements and the WTO. And there was a real fear amongst our Southern partners that the environment agenda would be used as an excuse for trade measures against their exports. They also feared that a trading system that was largely run by the North would usually take decisions against their interests. That was before Cancun and the Doha Round.

ICTSD played a central role in bringing developing country voices to the table and in creating a whole series of publications and dialogues to make the debates more open and infused

with new ideas from academics, policymakers and civil society organizations.

We are now in a very different world. The paralysis of the Doha Round has led to a new round of regional trade agreements, as well as a flood of bilateral arrangements. The world economy is being led from the South and the WTO is a very different place, with different power relationships. And the issues are different as well. While retaining an active focus on WTO related issues, the Centre has developed a broad range of programmes to respond to the realization that environment and trade are intertwined in a number of ways. Thus we now have expertise in intellectual property, in trade and agriculture, and in the hotly contested relationship between trade and climate change. We have been a major voice in the programme of Aid for Trade. As Ambassador Sun points out in his contribution to this Profile, we have acted as a knowledge broker between many Chinese scholars and agencies and the trade community as China expands its role in the governance of international trade. Ricardo and his colleagues have helped to shape the debate on trade, climate change and renewable energy.

ICTSD's unique blend of first class research, dialogues and conversations at all levels, plus its extensive series of publications in several languages, as well as its extensive network of trade practitioners, make it one of the few institutions that continues to bridge both the political and the intellectual gaps between North and South in this space.

WHAT WE DO MATTERS: PERSPECTIVES ON THE GLOBAL CHALLENGES WE ADDRESS AND ICTSD'S ROLE AND IMPACT IN A CHANGING WORLD

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TRADE AND THE ENVIRONMENT



By James Bacchus

Inaugural Chairman of the Appellate Body of the World Trade Organization; Former Member of the Congress of the United States and Special Assistant of the Office of the United States Trade Representative (USTR); Chair of Greenberg Traurig's Global Practice

Trade has long since ceased to be solely about what happens down at the port. Customs and tariffs remain very much a part of trade and of trade law, but the rules of the World Trade Organization (WTO) apply to much more than merely customs and tariffs. WTO rules apply to more than 95% of all world commerce, and extend in their application beyond the borders of WTO Members and into the internal regulations of WTO Members to the extent that those internal regulations affect trade.

This certainly includes the measures that Members of the WTO take that relate to sustainable development. Technical standards for new clean technologies. Governmental support for renewable energy. Patents and other intellectual property for green innovations. Measures relating to food, water, energy and their many interconnections. Measures that affect the sustainability of supply chains. Governmental efforts to address climate change. All of these and numerous other initiatives worldwide that are driven by a desire to inspire sustainable development fall within the jurisdiction of the WTO.

The fact that there is a connection between “trade and the environment” has long been acknowledged. But few who are expert in trade and active

on trade are expert and active also on the environment. And vice versa. So trade advocates and environmental advocates have often suffered from an inability to communicate with each other. And the work of both has suffered as a result.

Furthermore, the sheer scope of the interconnections between how we promote trade and how we protect the environment are only just beginning to be realized in the wider world. For example, is the current dispute over whether and to what extent countries that are Members of the WTO can and should subsidize the development of wind, solar and other sources of renewable energy as alternatives to fossil fuels a “trade issue” or an “energy issue”? It is both. So too are many other issues relating to sustainable development.

This realization is only slowly seeping into the consciousness of many governmental decision-makers around the world. It may be some time yet before they will be able to find and fashion the global consensus that is much needed to address the crucial interconnections between trade and sustainable development.

WTO Members will achieve the consensus that is needed much sooner than they otherwise would have because of the important work

of the International Centre for Trade and Sustainable Development (ICTSD). The visionary thinkers of ICTSD are both trade advocates and environmental advocates. They have long understood that our goals for trade and our goals for the environment are inseparable; this is reflected in the very name of the Centre. From the Centre's foundation, its experts have focused intently on highlighting this inseparability, and on identifying the best ways to achieve all that we hope to in both trade and sustainable development. They have produced original and practical ideas for doing so.

It seems safe to predict that many of the ideas the world will eventually embrace that will enable us to move forward on both trade and sustainable development are likely to come from ICTSD.

STRUCTURAL TRANSFORMATION AND ECONOMIC INTEGRATION IN AFRICA



By K.Y. Amoako
Founding
President of the
African Center
for Economic
Transformation
(ACET), Ghana

Without deeper intra-African trade in goods and services, the economic transformation needed to create jobs and sustainably reduce poverty will remain distant while the continent's 400 million-person youth bulge looms. Accelerating the removal of the barriers to trade will demand a multi-pronged approach that drives policy reforms and builds capacity for implementation.

Africa's sustained annual growth rate of roughly 5% over the last decade has been widely reported and celebrated. This unprecedented trend has opened new possibilities as jobs are created and the middle class grows.

But is this trend sustainable? Not if it is fueled primarily by high commodity prices, volatile as they are.

Only growth through structural transformation can sustain the rates needed for economic takeoff and to end the extreme poverty that persists across the continent. That means growth through making the structural shifts from farming to manufacturing and services. It is growth through expanding the technical capabilities of people and institutions. It is growth through upgrading the technologies that people use on farms, in firms, and in government offices. It is growth through becoming internationally competitive and latching onto global chains.

Those global chains should begin regionally. To a great extent, Africa's future is in Africa's hands. Much of the continent's potential growth is stuck behind borders. High transaction costs, inadequate infrastructure, low technology, regulatory overload, and many other barriers constrain African countries. It is unacceptable that Africa's biggest retailer has to fill 1600 documents per truck, just to move goods to another African country, as a recent World Bank study revealed. The study also showed that while 60% of European trade is within Europe, only 10% of African trade is among African countries—this, even as Europe stagnates and the number of Africans with discretionary income explodes. Removing some of the fundamental barriers to trade can unleash up to USD 34 billion in additional trade per year.

Trade can contribute to structural transformation through facilitating the push by African countries to diversify and upgrade the value of their exports, thereby making their economies more resilient, creating jobs and reducing poverty. For instance, Africa is the biggest market for manufactured goods from Africa. Thus, easier regional trade will give African companies the space to learn and improve in order to compete globally.

But global dynamics affect the region in increasingly sophisticated ways. Take the EU's Economic Partnership Agreements (EPAs), which hinders African countries' flexibility to trade with one another. ICTSD has been at the forefront of disentangling these issues and engaging stakeholders for the changes that will allow trade to be the contributor to growth and transformation that it can be.

With the recent launch of Bridges Africa, ICTSD brings depth to its Africa work that will help unlock opportunities within Africa, informed by the Centre's expertise of Africa's place within global trading regimes.

In the words of a former European minister for development cooperation, "there will simply be no transformation without regional integration." It is therefore important to have an agile expert institution singularly focused on sustainable development through trade.

THE QUEST FOR GREEN GROWTH



By Christian Friis Bach

Minister for Development Co-operation, Denmark; Former Chairman of Mellemfolkeligt Samvirke (Danish Association for International Cooperation)

Global demand for natural resources over the next 20 years is expected to increase by 40–60%, putting the Earth's ecosystems under serious pressure and threatening both growth prospects and the progress that has been achieved in social indicators.

Creating green growth is an answer to these challenges. Green growth means institutional change and improved resource productivity. It offers the prospect of improving energy efficiency and replacing fossil fuels with renewable alternatives. It is about better water management and sustainable intensification of agriculture. It is about reducing food waste and more effective urban planning, including transport and waste management. It is about using the many possibilities that the Internet gives us to use resources smartly. And it is about providing individuals and the private sector with incentives to make their consumption and production patterns more sustainable. In doing so, we continuously need ICTSD – an organization I have followed from the very beginning – to inspire and engage us.

Green growth is about profound changes in policies and practices. Key to success is getting prices right. But it is not simple. Take energy, for instance. To promote access for all you need prices to be low, to promote efficiency

prices should be high, to promote renewables prices should be right. The first and urgent step must be to abolish harmful subsidies in, for example, fishing, energy and fertilizers that account for billions of dollars. The next step must be to introduce appropriate environmental taxes. Both steps must be implemented over a transitional period and combined with stronger social safety nets to protect the poor. If implemented appropriately, these changes can both save money, improve the environment and decrease poverty levels. A win-win-win sustainability situation.

Green growth is therefore neither unaffordable nor technically out of reach. By modest improvements of building constructions, energy efficiency can be increased by over 30% and simultaneously save money and create jobs and growth. There is no reason to wait. And all countries will gain from starting early by greening their growth. The countries that will win the energy revolution and the water revolution will be the countries of the future. Developing countries have an opportunity to leapfrog environmentally damaging development by technology transfer and learning from the costly experience of the industrialized world.

Green growth is at the heart of our new Danish development strategy. And partnering with institutions like ICTSD

in pushing for lower trade barriers on green products and technology is key to our trade policy. Internationally, Denmark has been in the forefront of the climate negotiations, the “Sustainable Energy for All” initiative, in fighting for an ambitious result at the Rio negotiations and in establishing the Global Green Growth Institute and forum, with more and more countries now joining. In all areas, ICTSD provides valuable contributions. We will engage wholeheartedly in the upcoming process to develop a set of sustainable development goals to be integrated in the post 2015 development agenda. We need goals that will push us and guide us towards green growth.

Historically, sustainable development has been seen as a stumbling stone – it has been about barriers, constraints to economic growth. Today we know that sustainable development and green growth is a building block. So let's build a green future together.

**“WE CONTINUOUSLY
NEED ICTSD TO
INSPIRE AND
ENGAGE US.”**

CHINA'S INTEGRATION INTO THE GLOBAL ECONOMY



By Sun Zhenyu

First Permanent Representative of the People's Republic of China to the World Trade Organization; Chairman of China Society for World Trade Organization Studies

The rapid development of China's economy over the past 30 years, especially since joining the WTO some ten years ago, has had a big impact on the rest of the world. We are fully aware that China's role in global economic governance has changed and so have the expectations of other countries on China.

Since China joined the WTO in 2001, the nation has worked hard to fulfill its international obligations. Its annual contribution to the world economic growth has been somewhere between 30 to 50%. Over the last ten years, China's annual net increase of import was more than USD 100 billion. It is now the largest importing country in Japan, Australia, Brazil and South Africa, as well as many other Asian, African and Latin American countries. Since 2008, China has also been the largest importer in least developed countries (LDCs) and in 2011, 23% of its total imports were for LDCs. China is committed to providing duty-free treatment for LDCs, which will eventually cover 97% of their export goods.

As of year-end 2011, China's accumulated assets abroad reached USD 2 trillion, which helps to promote local economic development and livelihood improvement. For example, China has invested in most African

countries, with 75% of its investment in transport, agriculture and manufacturing sectors. Over the past 60 years, China has also focused on improving infrastructure and agriculture development in Africa and helped to build more than 2000 km of railways, 3000 km of highways, and more than 100 schools and 60 hospitals.

Moving forward, China will continue to play a constructive and positive role in international development, trade discussions, global financial reform and climate change negotiations. The nation will also continue to deepen its reform and transform the role of the government to serve its economic development. Here, policy measures relate to the reform of its financial system and state-owned enterprises, as well as providing greater resources and opportunities for small and medium sized enterprises (SMEs). China will likewise encourage more companies to increase its investment abroad and contribute to the economic development and improved livelihood of receiving countries.

Within the world of trade and sustainable development, ICTSD and its Chief Executive, Ricardo Melendez-Ortiz, have contributed a great deal to enhancing mutual understandings among countries by serving as a bridge between nations. I have had

the pleasure to read many ICTSD publications, which cover a wide range of pressing and relevant issues. Their focus on development, poverty alleviation, environment protection, investment policies and others has proven highly relevant and adds great value to discussions on these subjects.

In particular, I greatly appreciate their work in sponsoring dialogue events between China and participants from around the world, which has helped to improve the understanding of China by its trading partners and other leaders in the international community.

We look forward to closer co-operation with ICTSD and we will encourage our Chinese colleagues and peers to participate in their future dialogues and seminars. I am confident that the recent opening of ICTSD's China Centre would contribute to enhancing our contact and collaboration.

INNOVATION AND INTELLECTUAL PROPERTY RIGHTS



By Ruth L. Okediji

William L. Prosser Professor of Law,
University of Minnesota Law School,
United States

The development and deployment of new technologies is indispensable for addressing the greatest challenges of our time. From climate change to public health, agricultural biotechnology and protection for genetic resources, the protection of intellectual property rights (IPRs) has become a distinctive feature of global economic regulation. The innovation process that often produces much needed technological advances also embodies the risk that the underlying legal infrastructure of IPRs that supports technological growth can be used to institutionalize structural inequities that leave these technologies out of reach for the world's most vulnerable regions and people. At the heart of the matter is the existential question whether the global IPR system can deliver measureable innovation benefits that are equally dispersible and accessible across national boundaries.

The formalization of a relationship between trade and IPRs under the World Trade Organization (WTO) exacerbated unresolved tensions between countries whose competitive advantage derived principally from control over knowledge goods and those whose development trajectories and aspirations demand sustainable access to these goods, making multilateral compromises over IPRs increasingly difficult to accomplish.

This state of affairs is deeply troubling because technology is embedded in every sphere of global economic activity; rules affecting rights in knowledge assets must be oriented to an alignment of objectives in which all countries can meaningfully share and participate.

Today all countries regardless of their levels of technological capacity face a series of complex questions about how best to incentivize, manage and leverage knowledge goods globally, while also insulating their national IPR policies from the competitive vulnerabilities caused by enduring differences over the appropriate scope of IPR protection. Some of these questions include:

- Should patents for green technologies be issued, if at all, under different, preferential rules than those applying to other kinds of technologies?
- Should the published results of government-funded research be disclosed for public use without copyright restrictions?
- How should the causal link between education and absorptive capacity be reflected in the IPR regime?
- Should there be a regulatory path for "generic" genetically-modified seed development to foster competition and thus cheaper access to such seeds for farmers?

Moreover, in key areas involving public goods such as health, education and environmental protection, there is increased pressure to consider the viability of new innovation models, whether in conjunction with, or as alternatives to, traditional IPRs.

ICTSD plays a critical role in this ecosystem of global challenges. Its work on IPRs is at the forefront of these issues; it is the organization leading the examination of these questions across a range of institutional contexts, assisting governments, policymakers and international agencies alike in understanding the linkages between policy options for IPRs and broader implications for trade and development. ICTSD's work has been instrumental in shaping new approaches to the innovation deficit which all countries are experiencing, while also providing analytical tools and insights that foreshadow the limits, promise or consequences of choices about the regulation of IPRs and their fundamental place in the new ecology of the global economic system.

CHALLENGES IN ACHIEVING GLOBAL FOOD SECURITY



By M. Ann Tutwiler

Special Representative of the Food and Agriculture Organization (FAO)
Director General to the United Nations in Geneva

The world has changed a lot since the Uruguay Round was launched, and since the issues that motivated the Round (namely high levels of export subsidies, high import barriers, and surpluses) have changed dramatically. Instead of worrying about the impact of low commodity prices on developing country farmers, attention has shifted to the impact of high prices on developing country consumers (which of course includes farmers).

The global community is focusing on whether or not we can feed 9 billion people in the year 2050, and whether we can achieve the Millennium Development Goals (MDGs) on hunger and poverty reduction by the 2015 deadline. The United Nations (UN) and the global community have initiated a conversation on Sustainable Development Goals (SDGs) – an issue that was not ‘front and centre’ when the Uruguay Round agreement was hammered out in 1986. Finally, with the prospect of rising demand for food due to increasing incomes in many developing countries coupled with the diversion of commodities into biofuels production, the outlook projects higher commodity prices (according to many commentators).

Additionally, the disciplines that were imposed by the Uruguay Round have not had the anticipated impacts, for

many complex reasons – from box-shifting by the countries of the Organisation for Economic Co-operation and Development (OECD) to limited supply response in the developing countries.

Perhaps it is time to integrate the three pillars of sustainable development (environmental, economic and social) more firmly into the discussions around agricultural trade issues. Many of the subsidies that are “allowed” under the Uruguay Round Agreement for both rich and poor countries have negative environmental repercussions. Many subsidies may have positive economic impacts (higher incomes) but less than positive social ones (uneven distribution of incomes, or rapid displacement of jobs). Given the issues the global agricultural community is facing, we need to look beyond whether policies are trade distorting, we also need to look more closely at how they stack up on other criteria.

In addition, the global community is having discussions around what kinds of subsidies and trade measures can promote greater food security. This is a very useful discussion, but one that needs much more analysis and understanding. For example, a recent report by the Food and Agriculture Organization of the United Nations (FAO) (the State of Food and

Agriculture, 2012) shows that the most effective government support to agriculture (both in terms of agricultural productivity and in terms of poverty reduction) are investments in research and development, education and infrastructure.

While the World Trade Organization (WTO) has a mandate only to address the trade related impacts of subsidies, as governments are negotiating trade agreements, it is important that they have solid information on the impact of trade agreements on other global and national goals such as food security and sustainable development.

ICTSD's work in these areas has been appreciated. ICTSD is able to analyze and evaluate policies by integrating many different issue areas. The need for ICTSD's balanced analytical work and multi-stake, multi-disciplinary policy dialogue is higher now than it ever has been.

ENERGY, WATER AND FOOD IN EMERGING ECONOMIES



By Arunabha Ghosh

CEO of the Council on Energy, Environment and Water, India; Oxford-Princeton Global Leaders Fellow

For an economy as large and diverse as India's, responses to developing solutions for adequate and sustainable supplies of energy, water and food will also have to be diverse. Energy demand in India will show the highest growth rate in the world until 2035 (IEA, 2011). At the same time, industrial growth and residential demand will increasingly add to water stress. Energy and water management imperatives will have consequences for food security as well – a central concern for India's poor.

What do the resource dynamics of a country like India mean for ICTSD's work? As an emerging economy, India has become relatively more powerful before rich. This has implications for access to resources globally, environmental sustainability, international negotiations, and the design of international regimes and institutions. Having been a credible convener of government and non-governmental representatives from around the world, ICTSD has served as a forum for democratic deliberation long before formal institutions burnished their credentials for representing different interests. As emerging economies experiment with development pathways, ICTSD has an even greater role in ensuring that the teachings from different parts of the world receive adequate voice and, in turn, promote global governance reform.

Secondly, the pressures of energy, water and food can no longer be handled through individual institutions. There is no global energy regime. Water concerns often manifest through regional politics. Food and agriculture have humanitarian and industrial scale implications within the same country. An integrated approach is thus essential (from the village and national level to the international level). The trade regime, with its rules-based approach, will have a critical role to keep energy markets open, support sustainability in managing food resources, and promote the exchange and development of environmental goods and services. ICTSD's role should be to understand more deeply how these concerns intersect within countries, thereby helping international organizations respond to the imperatives of emerging economies.

Finally, ICTSD will have a role in anticipating and preparing for forthcoming changes. For instance, its promotion of a Sustainable Energy Trade Agreement responds to the dual demands of encouraging clean energy while keeping trade rules fair (Ghosh, 2012).

Environmental goods and services negotiations, intellectual property rights for emerging technologies, managing the flows of climate finance, innovations

in markets to deliver new services, understanding the implications of deeper water footprints in international trade – these are all examples of the work that ICTSD will have to undertake to be relevant to emerging economies that are keen on promoting development but recognize the resource constraints within which they have to operate.

All of the above aspects are areas of work that I encourage in my institution, the Council on Energy, Environment and Water. If ICTSD makes these aspects the basis of its engagement with emerging economies, I am sure that our joint collaboration would have relevance for ensuring a more sustainable world.

GLOBAL VALUE CHAINS, JOBS AND SUSTAINABLE DEVELOPMENT



By Jose M. Salazar-Xirinachs

Executive Director for Employment,
International Labour Organization;
Former Minister of Foreign Trade, Costa
Rica

The global economy is increasingly structured around global value chains (GVCs) that account for a rising share of international trade, global GDP and employment. It has been estimated that in 2008 international trade generated 20% of the total employment in the world (605 million jobs), up from 14% in 1995. The evolution of GVCs in sectors as diverse as commodities, apparel, electronics, tourism and business service outsourcing, including the shift of the primary drivers of growth toward emerging economies, has significant implications in terms of global trade, production and employment, as well as for development strategies.

A key direction of the development policies of most countries has been to pursue a high-quality integration into the global economy, one that promotes catch-up growth, that accelerates learning, and that creates good, decent jobs. GVCs for goods and services are thus the new ladders of comparative advantage; they provide stepping-stones for developing countries to integrate into the global economy. But this relies on an ability to access GVCs, to compete successfully and to “capture the gains” in terms of national economic development, capability building and generating more and better jobs to reduce unemployment

and poverty. How to participate gainfully in the global economy is a key policy question, and GVCs are at the heart of it.

The financial crisis has also served to reinforce and underscore the importance of GVCs. For example, the postponement of auto purchases by US consumers affected the US as well as the Liberian rubber sector that produces material for tyres through the global automotive supply chain. GVCs have become the world economy's central nervous system.

However, the trade policy and development communities are not prepared; policy relevant analysis is scarce. Available GVC analysis is based on a framework that focuses on innovation and economic upgrading: how firms and countries change their positions within the international hierarchy of value-adding activities. But as important is social upgrading and job creation: what kind of jobs are created by integrating into different GVCs, their wage levels, working conditions, workforce skills requirements, and their gender and poverty reduction dimensions.

It is also important to consider their contribution to environmental upgrading and green growth. In other words, a triple bottom line of economic,

social and environmental sustainability for GVCs. Analyses and value chain stories that integrate these three perspectives are rare yet essential for better policymaking, including trade policymaking.

These recent GVC dynamics and what the broader upgrading perspective mean for policy interventions designed to meet growth and distributional objectives are central questions for multilateral organizations such as the ILO, World Bank and WTO. This is therefore a highly relevant and fruitful area of work for ICTSD, from methodologies to knowledge development and sharing. It is commendable that ICTSD is developing research and activities in this area, including on GVCs influence on export diversification in LDCs, the emergence of services value chains, and the role of Aid for Trade in growing LDCs' capacity to integrate into GVCs.

MINING AS A POTENTIAL CATALYST FOR BROADER DEVELOPMENT



By Rafael Benke
Global Head of
Corporate Affairs,
Vale, Brazil

The natural resources sector is a key enabler and catalyst of sustainable development, particularly in less developed regions of the world. This occurs primarily through responsible and sustainable mining's role in generating direct and indirect economic activity, social shared benefit and environmental responsibility.

In this sense, mining directly constitutes an essential and basic groundwork for many economies in the world, particularly developing countries. Beyond its more immediately related benefits, mining has the potential to leverage a broader scope of development.

Investment platforms and corridors: The appreciation of its transformational potential

Throughout the world, one finds encouraging examples of the multiple benefits responsible mining can bring. Beyond immediately recognizable benefits such as local jobs, skills training and community-based improvements, on a larger scale one major potential benefit catalyzed by mining projects is to generate economic viability for investment by other sectors. A clear example is the infrastructure platform and corridors, which are put in place for integrated mining projects, involving port/rail/road/energy/telecoms.

These platforms enable the economic viability of minerals while also harnessing the potential for diverse forms of general cargo, such as agricultural goods. This generates attractiveness for further investment in unrelated sectors of the economy, which can then benefit from such backbone infrastructure.

The Nacala Corridor in Southeast Africa, for instance, shows how mining activities can provide a platform to bring about the full potential of a regional investment corridor. This multi-national trade corridor is capable of bringing direct improvements in the economy-of-scale not only for the immediate territories benefited by its presence (Mozambique and Malawi), but also for neighbouring countries.

Unleashing the potential

As the above example can show, responsible mining can and should be an enabler of much broader development and trade. This is particularly relevant for countries challenged by severe under-capacity in infrastructure who are capable of experiencing a transformative leap forward from the benefits set in motion from natural resource wealth. The optimization of this potential is capable of bringing economic and social benefits through broader direct investment, exports, government

revenues, training and employment and infrastructure development.

In this sense, the work that ICTSD has been developing in the fields of trade, environment and natural resources engages stakeholders and provides new and innovative thinking on how to make development and trade effectively contribute to sustaining and improving livelihoods in developing countries that depend on natural resources. Its work is an important contribution to preparing the terrain so that the natural resource sector's activities in these countries can result in economic growth, export revenues and human well-being that are properly valued and exploited in a sustainable manner.

OUR MISSION, VISION AND GOAL

Our mission

Founded in 1996, the International Centre for Trade and Sustainable Development (ICTSD) is an independent non-profit organization based in Geneva, Switzerland. By empowering stakeholders in trade policy through information, networking, dialogue, well-targeted research and capacity building, the Centre aims to influence the international trade system such that it advances the goal of sustainable development.

Applying a national and regional focus

International policies and geopolitical realities are in constant flux. The world's economic geography is shifting and regionalism is on the rise, creating implications for sustainability and the global governance of economic integration. In response to these changes, ICTSD is pursuing its mission at national and regional levels with the establishment of semi-independent centres in China, the US, Africa, Latin America and the Caribbean, and Asia (for further information see the section on ICTSD Global).

Influencing trade-related policy frameworks

Trade-related policy frameworks can serve as powerful drivers of sustainable development in global policymaking and global inclusion if those engaged in negotiations incorporate emergent knowledge on economic, environmental and social issues. In doing so, they are empowered to better understand their own interests, build bridges to others and advance mutually acceptable solutions.

Shaping trade-related policy processes

The Centre looks to bring knowledge-empowered participation to bear on national, regional and international policy processes through facilitating inclusive approaches that can generate solutions for poverty reduction, greater social equity, innovation, and the sustainable management and effective use of natural resources.

Our vision

ICTSD's vision is a sustainable world supported by national, regional and international trade policy and frameworks that favour inter- and intra-generation equity.

Our strategic goal

ICTSD aims to ensure that sustainable development is advanced through trade-related policy and agreements.

**“KNOWLEDGE-EMPOWERED
PARTICIPATION CAN
GENERATE SOLUTIONS
FOR POVERTY REDUCTION,
SOCIAL EQUITY, INNOVATION,
AND THE SUSTAINABLE
MANAGEMENT OF
NATURAL RESOURCES.”**

HOW WE WORK

Our strategy: ICTSD enables, facilitates and supports interaction among policymakers and influencers to craft and implement policy frameworks on trade that deliver sustainable development.

To ensure sustainable development objectives are at the helm of international trade, ICTSD aims to facilitate the emergence of a critical mass of well-informed stakeholders who can identify and effectively advance their own sustainable development priorities in trade policy and related policy processes.

ICTSD works to build well-informed communities, support dialogues around policy and empower policymakers and influencers—with particular attention paid to those traditionally excluded from such processes—to act effectively on issues in the trade policy arena that impact national and global sustainable development.



ICTSD advances its mission through three types of activities:

1. Information and communication

The Centre provides a consistent flow of reliable, non-partisan reporting and analysis on policy developments in the trade and sustainable development field. ICTSD accomplishes this through communication tools, including eight regularly published periodicals produced in six languages that cover region-

specific issues (Bridges, BioRes, Bridges Africa, Mosti, Passerelles, Pontes, Puentes, and Qiao).

2. Policy dialogue

ICTSD creates opportunities for dialogue that bring new voices and perspectives into policy debates. This serves to mobilize a wide range of stakeholders and facilitates constructive interaction among policymakers and influencers in non-negotiating settings.

3. Research and analysis

Interaction among those in the policymaking space focuses on problem solving. ICTSD thus generates research and analysis that takes a solutions-focused approach to sustainable development in trade policy and related policy processes.

EXAMPLES OF ICTSD'S KEY STAKEHOLDER GROUPS



**“ICTSD CREATES OPPORTUNITIES
FOR DIALOGUE THAT BRING NEW
VOICES AND PERSPECTIVES INTO
POLICY DEBATES.”**

OPERATIONAL STRATEGY

ICTSD'S MISSION

By empowering stakeholders in trade policy through information, networking, dialogue, well-targeted research, and capacity building, the Centre seeks to influence the international trade system such that it advances the goal of sustainable development.

ENABLING INTERACTION: THE INFORMATION AND COMMUNICATION PROGRAMME

Enabling interaction among trade policymakers and influencers through producing consistent, non-partisan reporting and analysis

FACILITATING INTERACTION: THE POLICY DIALOGUE PROGRAMME

Facilitating dialogue and conversation by providing a space for relevant actors to interact and explore common and different interests in an informal and non-negotiating setting

SUPPORTING INTERACTION: THE RESEARCH AND CAPACITY BUILDING PROGRAMME

Supporting interaction through policy oriented ground-breaking research and capacity building services that draw on the best human and academic resources

Investing in strategic partnerships

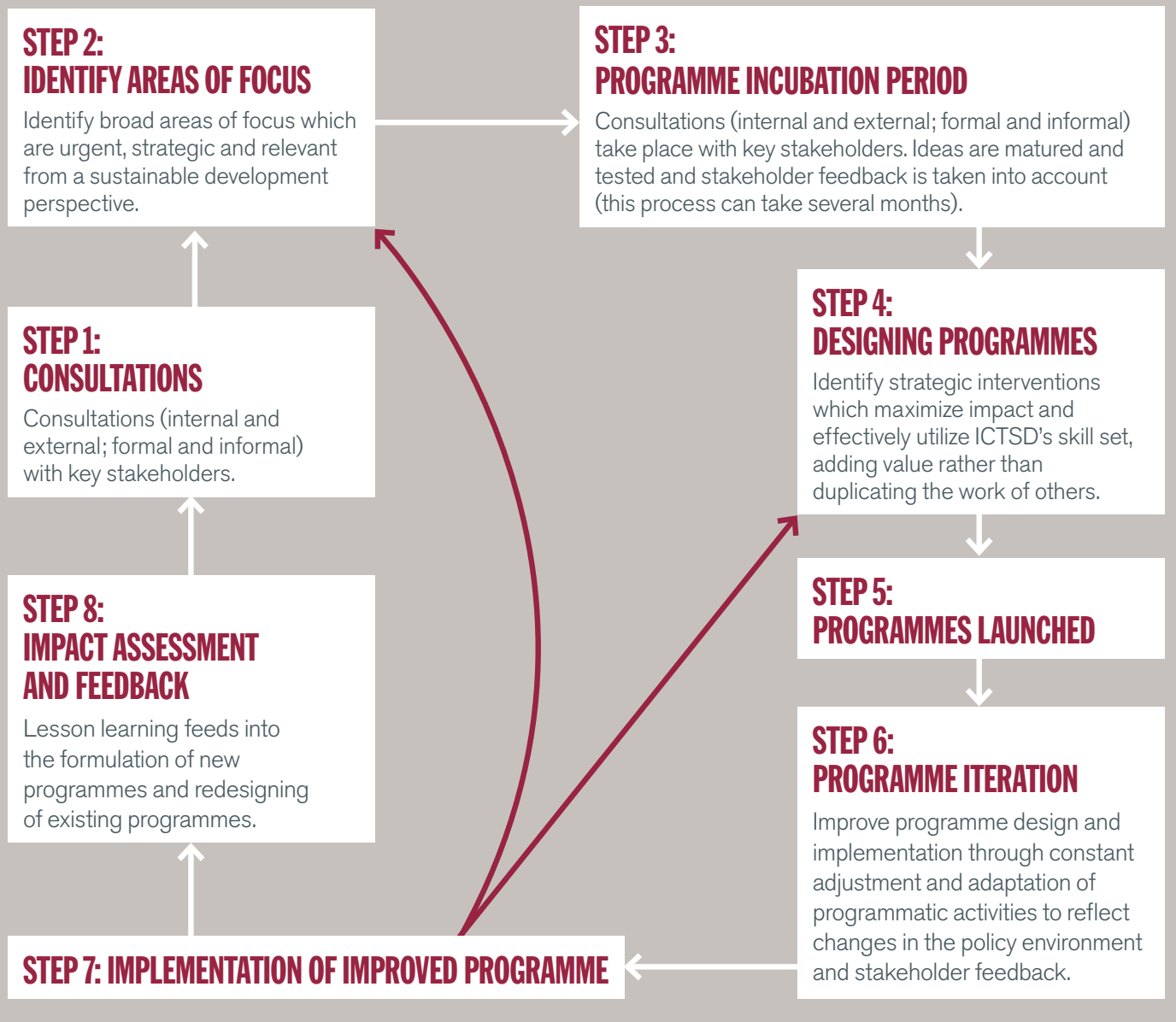
Since its establishment, ICTSD has invested heavily in strategic partnerships with Non-Governmental Organizations (NGOs), Think Tanks, Inter-Governmental Organizations

(IGOs), Civil Society Organizations and Research Centres around the world. These partnerships prove crucial to ICTSD's ability to target policymakers and influencers that would otherwise be beyond reach. Subsequently, policy-active networks around

multilateral and regional trade and sustainable development issues have emerged globally. The figure below shows the types of partnerships ICTSD is engaged with, their objectives and specific examples of partner institutions.

TYPES OF PARTNERS	OBJECTIVES	EXAMPLES OF PARTNERS
1. Strategic, Immediate Impact, Activity Partnerships	<ul style="list-style-type: none"> • Tap into local partner network's substantive and logistical capacity • Provide a space/ exposure for relevant work • Act as a catalyst for future work undertaken by local institutions 	<ul style="list-style-type: none"> • Cambodia Institute of Development Studies (CIDS), Cambodia • Centro de Investigaciones Económicas Nacionales (CIEN), Guatemala • China Society for WTO Studies, China • Economic and Social Research Foundation (ESRF), Tanzania • Financial Times • Imani Development, Malawi
2. Issue Specific / Regional Partnerships	<ul style="list-style-type: none"> • Mobilizing regional expertise • Facilitate regional interaction among stakeholders 	<ul style="list-style-type: none"> • Brazilian Sugarcane Industry Association (UNICA), Brazil • International Lawyers and Economists Against Poverty (ILEAP), Canada • Shanghai Institute of Foreign Trade (SIFT), China • South Africa Institute for International Affairs (SAIIA), South Africa • South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal • Higher School of Economics, Moscow, Russia
3. Core Partnerships	<ul style="list-style-type: none"> • Jointly design and implement long term programme/activities in a developing country region • Provide support in strengthening partner as regional centre of excellence • Empowerment (training, staff exchange, etc...) 	<ul style="list-style-type: none"> • Centre for Policy Dialogue (CPD), Bangladesh • Centre Internacional de Política Económica para el Desarrollo Sostenible (CINPE), Costa Rica • Eco-Accord, Russia • ENDA Tiers Monde, Senegal • Trade Law Centre for Southern Africa (TRALAC), South Africa • University of International Business and Economics (UIBE), Beijing, China
4. Intellectual Partnerships	<ul style="list-style-type: none"> • Jointly design and implement medium term research/ dialogue/ information programmes • Bring substantive inputs in areas where ICTSD has no clear comparative advantage 	<ul style="list-style-type: none"> • Advisory Centre on WTO Law (ACWL), Switzerland • Development Research Centre of the State Council of China • European Patent Office (EPO) • Fondation pour les études et recherches sur le développement international (FERDI), France • International Food Policy Research Institute (IFPRI), USA • Inter-American Development Bank (IADB) • Max-Planck Institute for Intellectual Property and Competition Law, Germany

ICTSD'S PROGRAMME DEVELOPMENT FRAMEWORK



Reactive learning process

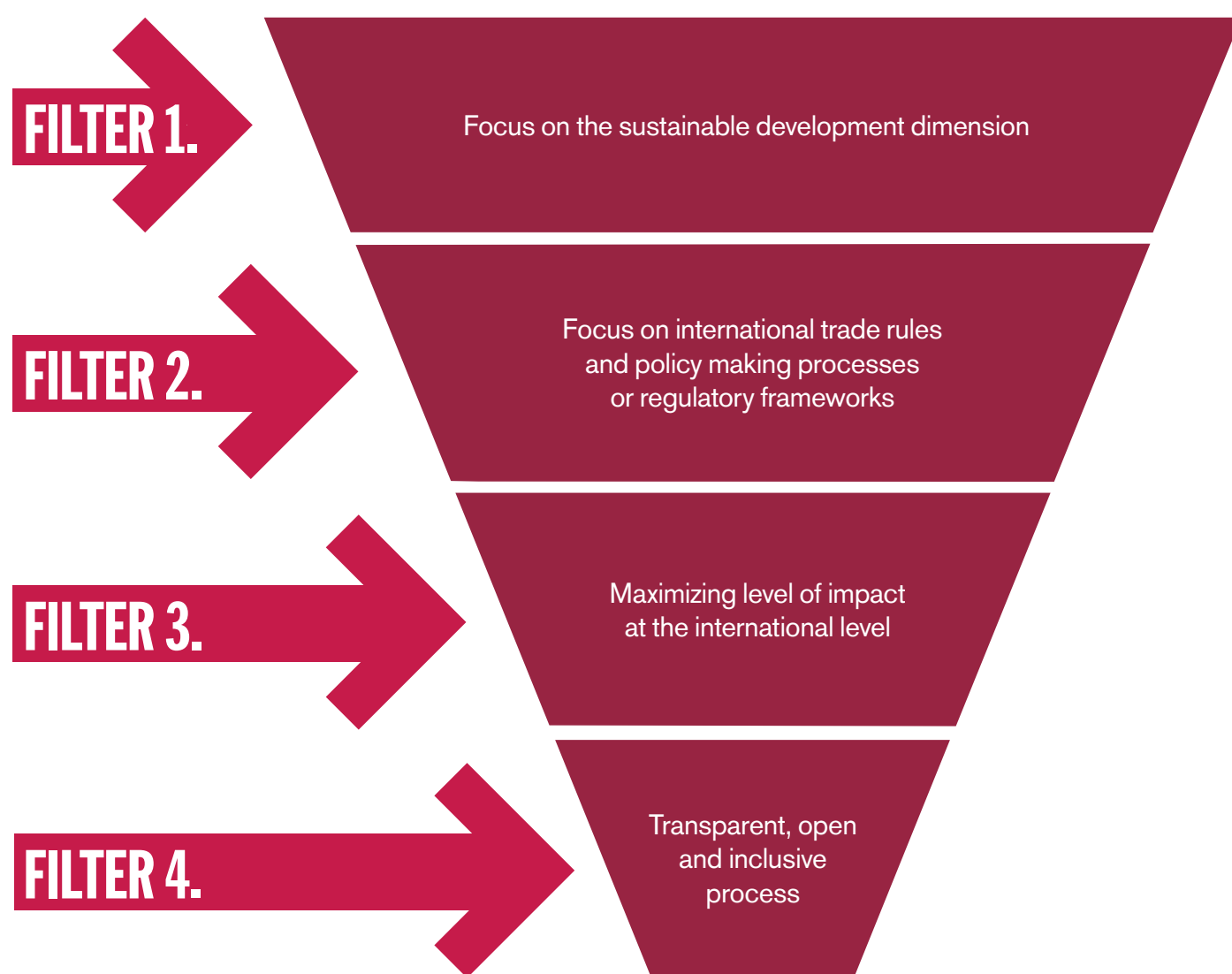
ICTSD plans its strategy in direct relation to what it hears from policymakers and influencers. This “reactive” interaction between those with an interest in, or responsibility for, trade policymaking and negotiations, and those likely to be affected by the outcome of such policies, is a defining characteristic and core competence of ICTSD.

Filling knowledge gaps

ICTSD identifies gaps in knowledge in international trade rule and policymaking and related processes, such as climate change, from a sustainable development perspective. Through dialogue and research it mobilizes the best experts from around the world to address those gaps in a solution-oriented way. It ensures that the knowledge that is generated

through this process is effectively delivered to strategic constituencies so that it can be applied to international policymaking processes. To date, this has been very successful at promoting enhanced levels of information and interaction among highly segregated communities, for example on trade and climate change. Ultimately, it shall foster long-term collaborative action on those issues.

SETTING PRIORITIES IN THE DESIGN OF PROGRAMMATIC ACTIVITIES: THE “FILTERS” APPROACH:



ICTSD has implemented an open and flexible framework to develop and prioritize programmes

To do so, it uses two tools:

(1) A programme development framework that identifies areas of focus, designs programmes and activities, and aims to maximize impact

(2) A filter approach that sets priorities for designing programmatic activities.

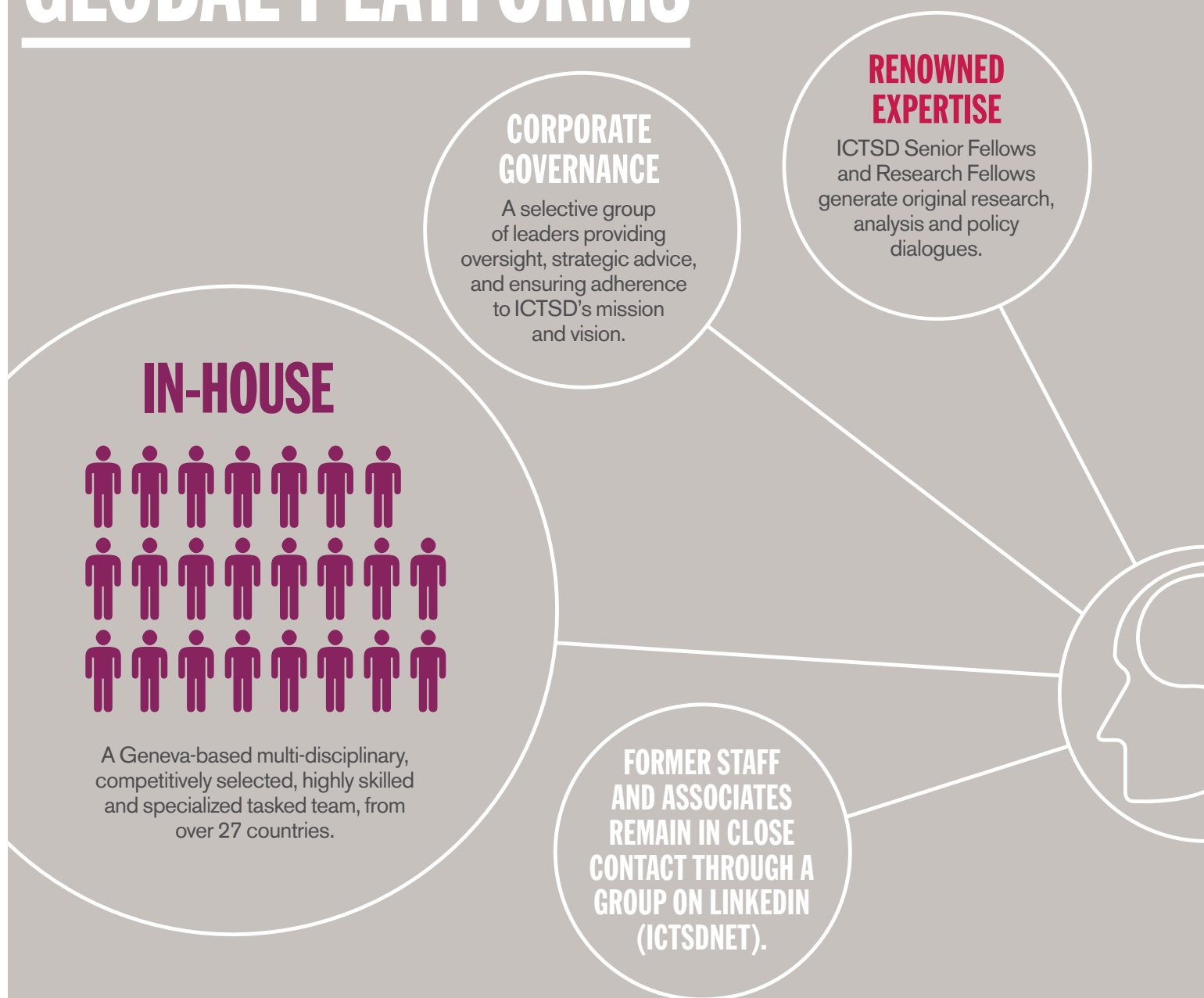
A unique approach to research and communications

ICTSD's programme teams and editors work with each other through a one-of-a-kind mutually supportive model. Programme experts and managing editors join forces to write

articles, discuss story ideas and potential areas of work, stay up to speed on day-to-day developments and emerging issues, and better disseminate research findings and stakeholder outreach. This co-operative relationship creates a strong synergy between programmes and periodicals.

**“ICTSD’S PROGRAMME
TEAMS AND EDITORS
WORK WITH EACH
OTHER THROUGH A
ONE-OF-A-KIND MUTUALLY
SUPPORTIVE MODEL.”**

MINDS, TEAMS AND GLOBAL PLATFORMS



ICTSD operates as a global network

Its international staff is complemented by a group of long-term, regional-based partnerships and experts that exceeds 1500 individuals and institutions.

ICTSD has also cultivated a “brain trust” of governing board members, senior fellows, research fellows, individuals and institutions. Its staff and the broader network reflects the diversity of the field, enabling the organization to

work across cultures, capture varying viewpoints and garner trust among participants. As a result, the Centre brings an unparalleled and high-level of skill, knowledge and diversity to the issues and audiences it targets.

COLLABORATIVE PROBLEM SOLVING AND POLICY DIALOGUE

Every year ICTSD engages over 100 partners worldwide to co-implement its programme.

NEWS, INFORMATION AND PERSPECTIVES

ICTSD streams and co-publishes with teams and partners in Dakar, Sao Paulo, San José, Mexico D.F., Ottawa, Moscow, Shanghai and Geneva.

EXTERNAL INPUT ON STRATEGY

An international advisory council of global leading minds from the public, non-profit and business communities.

KNOWLEDGE PROCESSING AND INNOVATIVE THINKING **1500 EXPERTS**

ICTSD undertakes research and targeted analysis through a global network of over 1500 experts to respond to policy challenges.

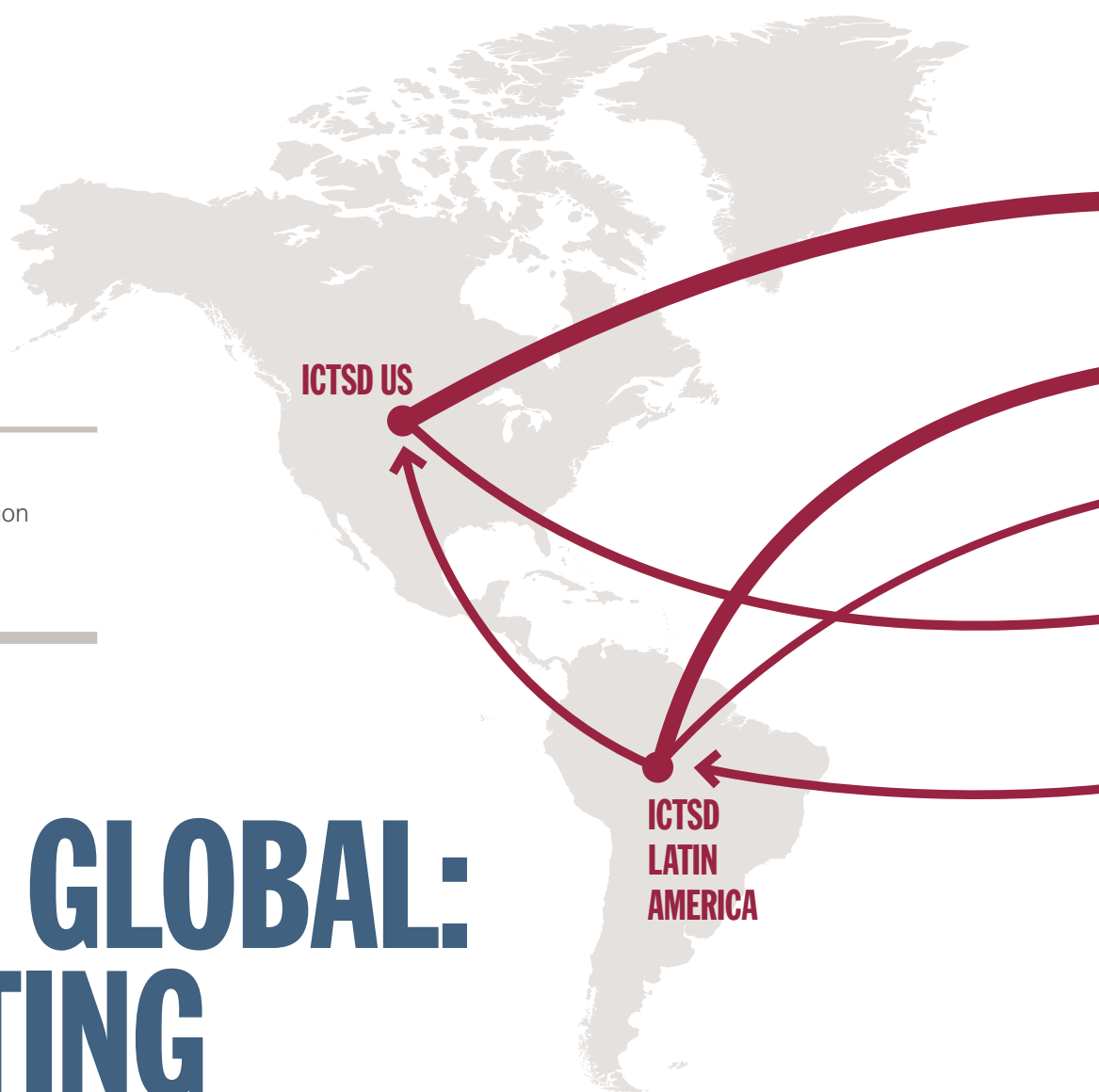
<http://ictsd.org/experts/>

GLOBAL INITIATIVE BOARD

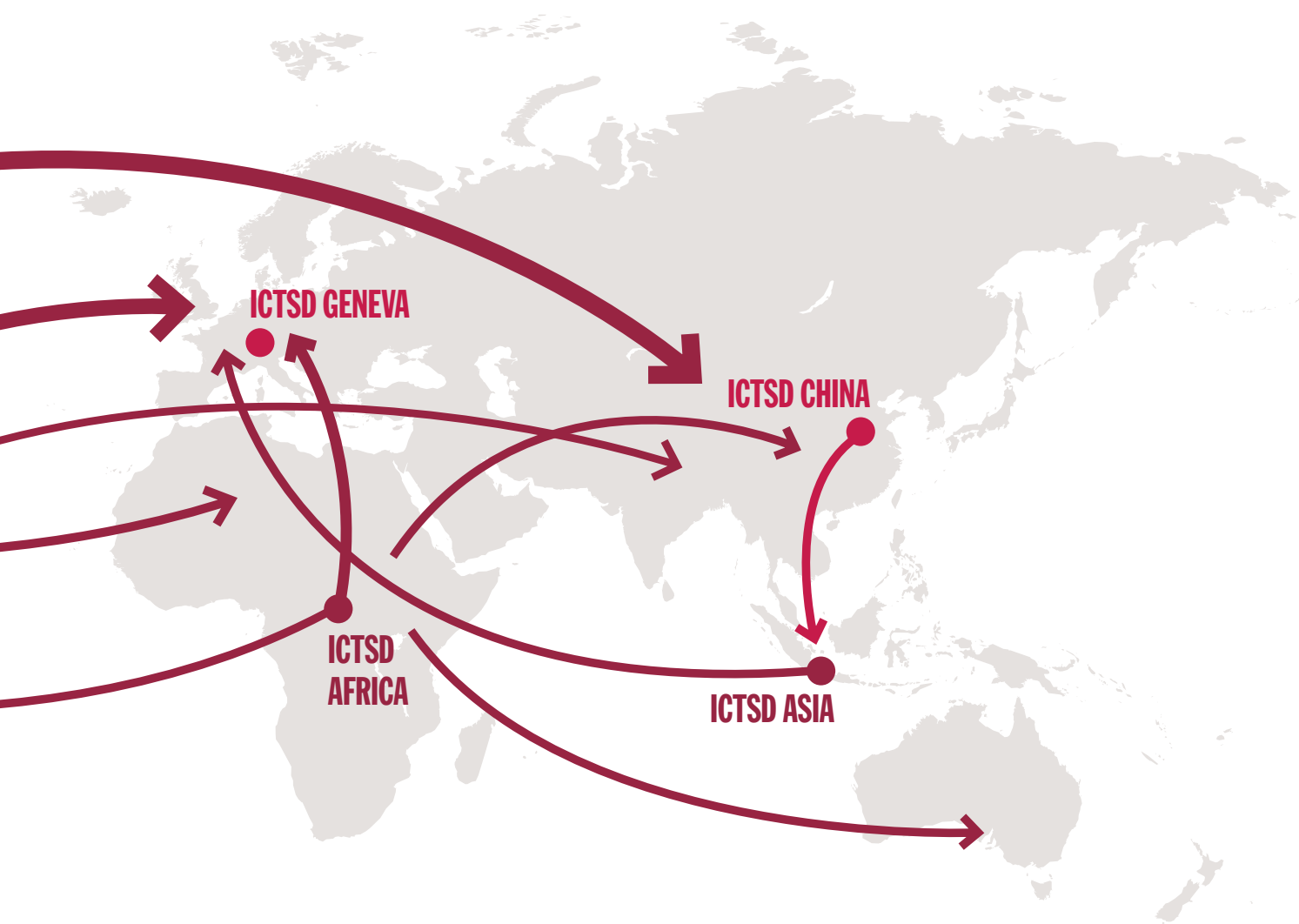
Managing Directors and Principals of ICTSD's regional and national semi-autonomous centres.

KEY:

- Established regional operation
 - Planned regional operation
 - ICTSD's information and analysis flows
-



ICTSD GLOBAL: ADAPTING TO CHANGING GLOBAL REALITIES IN AN EVOLVING ENVIRONMENT



In a world characterized by ever increasing geographical fragmentation of global supply chains, regional and plurilateral trade agreements (RTAs) have become a permanent and progressively important feature of the international trading environment. At the same time, the emergence of India, China and to a lesser extent South Africa and Brazil have generated new dynamics in South-South trade relations as illustrated by the rapidly evolving relationship between China and Africa. This has given rise to a number of new economic integration initiatives that feature different priorities

from the traditional North-South bilateral and regional accords. Yet, the effects of these recent regional dynamics on the multilateral trading system and, more broadly, on sustainable development remain unclear.

For a knowledge-based organization such as ICTSD, responding to this reality requires increasingly sophisticated and region-specific responses that effectively empower stakeholders to identify and advance their trade and sustainable development priorities. As regional dynamics gain in importance and the

Doha Round remains unfinished, a further consolidation of ICTSD's regional operations becomes critical. ICTSD is therefore deepening its regional capacity and presence through establishing semi-independent centres in key regions and countries. ICTSD China (established in 2012), ICTSD US, ICTSD Africa, ICTSD Asia and ICTSD Latin America and the Caribbean have thus far been identified. These centres will allow ICTSD to more effectively apply a national and regional focus to its work, thus complementing its already strong WTO-centric perspective.

ICTSD CHINA

Since 2006, ICTSD has provided news analysis, multi-stakeholder dialogues and targeted research on China's domestic evolution and its transformative role in global economic governance within the context of sustainable development. And in 2012, ICTSD established its first national centre, ICTSD China, in the University of International Business and Economics (UIBE)'s main campus, in Beijing.

ICTSD's goal is to leverage China's role in order to craft a global common future towards sustainable development by serving as an independent, interdisciplinary and intellectual bridge. The Centre helps international policymakers and stakeholders have a better understanding of China's domestic political economy, its outlook for domestic and global challenges, and its future. ICTSD also introduces Chinese policymakers to their international counterparts and generates a deeper understanding within all parties of sustainability concerns and expectations for China, as well as suggestions for how it can become a responsible stakeholder in the global community. ICTSD enables exchanging viewpoints and seeks constructive solutions where China is supportive of global sustainable development efforts.

The organization's interventions are concentrated on four main areas:

- 1) China's participation in the WTO
- 2) Impacts of China's trade and investment on its developing country partners
- 3) China's role in addressing the trade-environment-energy nexus
- 4) China in the South-South co-operation for sustainable development.

It is in this context that ICTSD founded the Bridges China Dialogue in Geneva in 2007, with a view to engage Chinese governmental and non-governmental institutions to support economic governance that favours sustainable development. Known for its non-partisan, interdisciplinary and multi-stakeholder nature, this annual conference has developed into one of most influential international events dedicated to China, trade and sustainable development.

For further information about the Bridges China Dialogue, see www.bridges-china.com/



9.1%

OF THE WORLD'S TOTAL IMPORTS

China is the world's second largest importer, accounting for about 9.1%, or USD 1395 billion, of total global imports. This enables a global commodity boom, but generates as much anxiety as prosperity.

23.53% SHARE OF GLOBAL GHGS EMISSIONS

84%

OF OUTBOUND
DIRECT-INVESTMENT
TO DEVELOPING
COUNTRIES

The GHGs emission of China, excluding Hong Kong and Macau, is 23.53% of the global total according to estimates from UN Statistics. Together, China, the United States (18.27%) and the European Union (13.98%) account for over 55% of global total GHGs emissions.

As of 2010, 84% of China's outbound direct-investment was directed towards the developing world and just 0.02% went to the US. This illustrates that China is playing an increasingly important role in transforming South-South co-operation.

KEY PAPER

A Decade in the WTO: Implications for China and Global Trade Governance



Edited by Ricardo Meléndez-Ortiz, Christophe Bellmann and Shuaihua Cheng; ICTSD Programme on Global Economic Policy and Institutions; December 2011

China's ten years of membership in the WTO has taken place against a backdrop of dynamic change in the

world economy. Indeed, China's participation in the WTO and the implications of its membership have both been key factors in that change. China's membership today is as essential for the WTO as it is for China.

It is in this context that the ICTSD China Initiative invited key policymakers and researchers to prepare think pieces on the implications of WTO Membership for China and global trade governance. The authors participated in a dialogue entitled "A Decade in the WTO: Implications for China and Global Trade Governance" held on 29 June 2011 in Geneva, organized by ICTSD in partnership with the Friedrich-Ebert-

Stiftung Geneva Office and the China Society for WTO Studies.

Key authors of this paper are: Ricardo Meléndez-Ortiz, Xiaozhun Yi, Harsha V. Singh, Paul Blustein, Zhenyu Sun, Henry Gao, Razeen Sally, Scott Kennedy, Gary Hufbauer, Faizel Ismail, Debapriya Bhattacharya, Roberto Carvalho de Azevedo, Xinkui Wang, Jean-Pierre Lehmann, Tao Hu, Xin Wang, Shuaihua Cheng.

<http://ictsd.org/downloads/2011/12/a-decade-in-the-wto-implications-for-china-and-global-trade-governance.pdf>

OUR ACHIEVEMENTS

- Empowering stakeholders and influencing debate
- Shaping the future of the multilateral trading system
- Generating change in the multilateral policy environment
- Identifying needs
- Providing intellectual leadership
- Moving debates forward
- Working for solutions

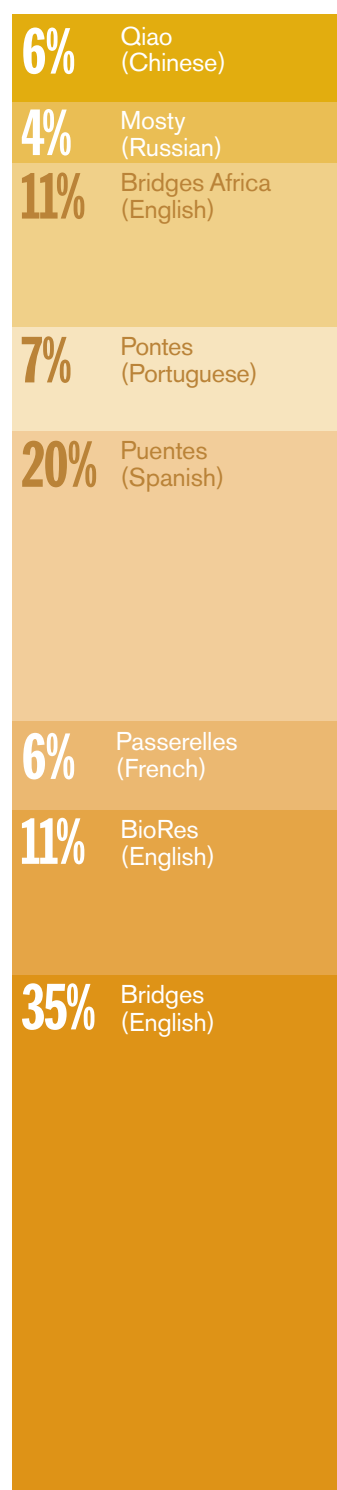
Since its establishment in 1996, ICTSD has played a unique role in enabling, facilitating and supporting policymakers and influencers in identifying and pursuing sustainable development objectives in the context of trade and economic policy.

ICTSD advances its mission by:

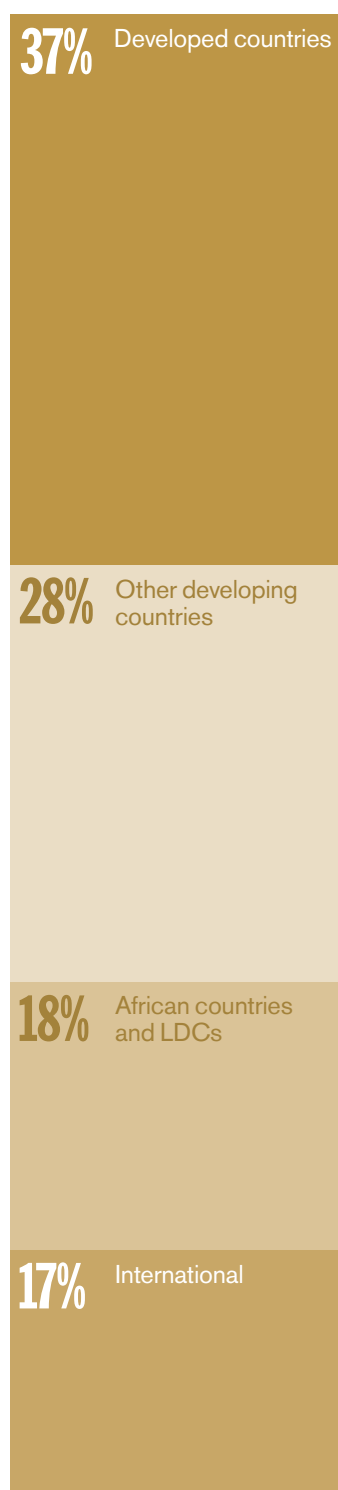
- Serving as a reliable and open-access source of information
- Facilitating stakeholders' engagement in substantive discussions within a non-negotiating context
- Enhancing participation, particularly among those without a sufficient voice or capacity to ensure their interests are reflected in trade negotiations, such as developing countries
- Addressing complex policy needs with clear and timely analysis
- Increasingly exploring and generating new collaborative approaches involving non-state actors
- Bringing new perspectives to debates on issues from agriculture to public health to sustainable energy
- Advancing understanding and generating new knowledge on some of the most difficult issues in trade related negotiations and policymaking processes
- Effectively partnering with and extending the work on research and dialogue agendas of the WTO, UNCTAD, WIPO, WHO and other policy fora.

KEY FIGURES

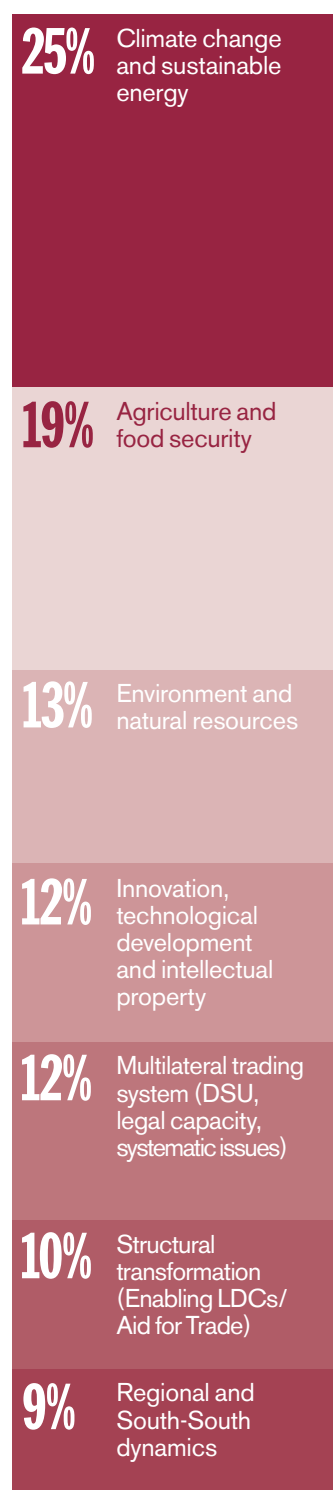
OUR SUBSCRIPTION DISTRIBUTION BY PERIODICAL (2012)



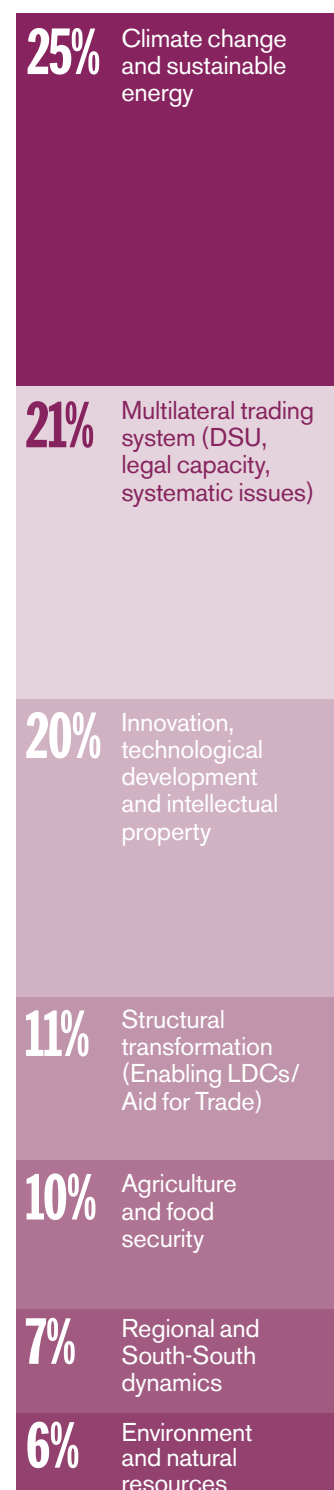
OUR PARTNERS (AVERAGE 2008-2011)



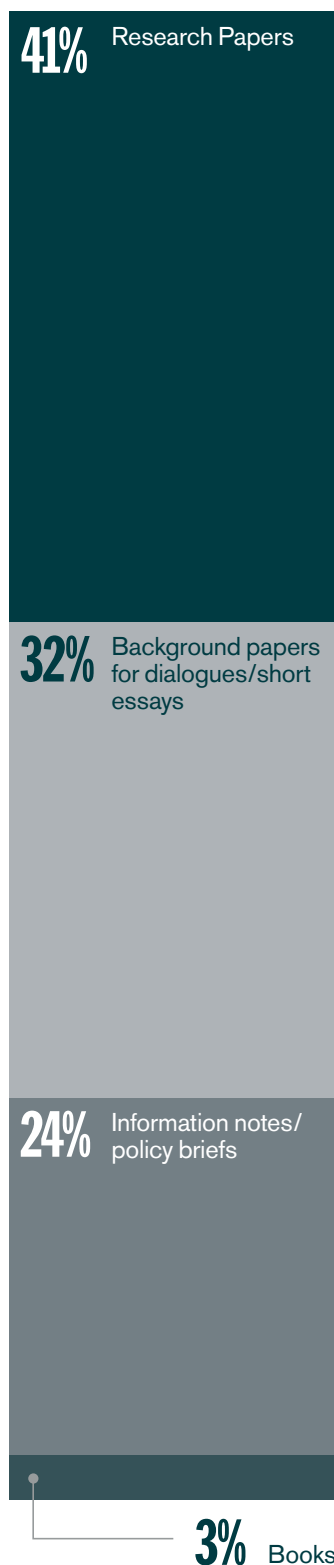
OUR RESEARCH (AVERAGE 2008-2012)



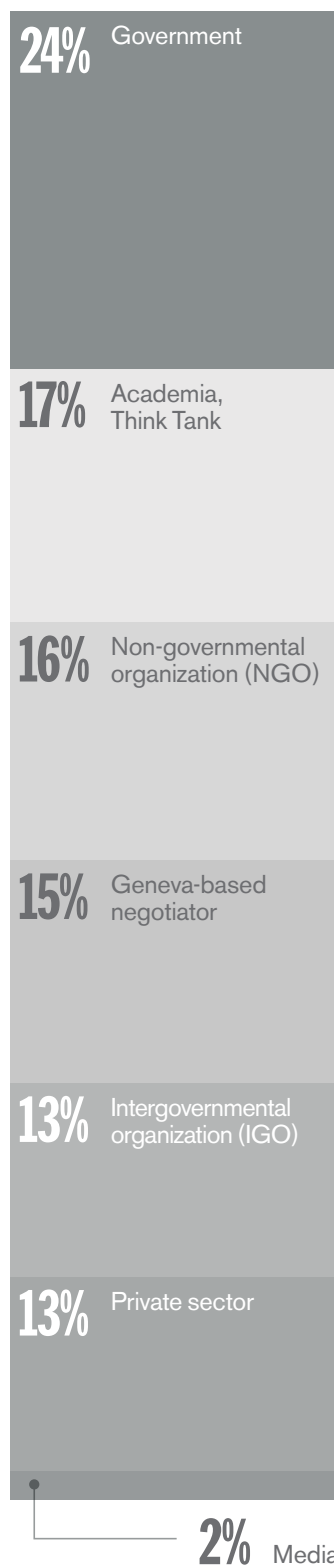
OUR DIALOGUES (AVERAGE 2008-2011)



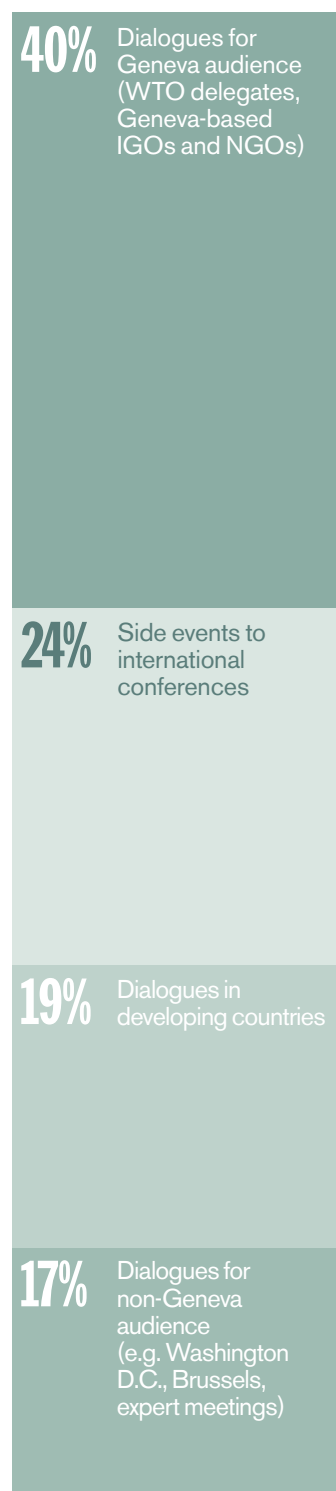
OUR PUBLICATIONS (AVERAGE 2008-2012)



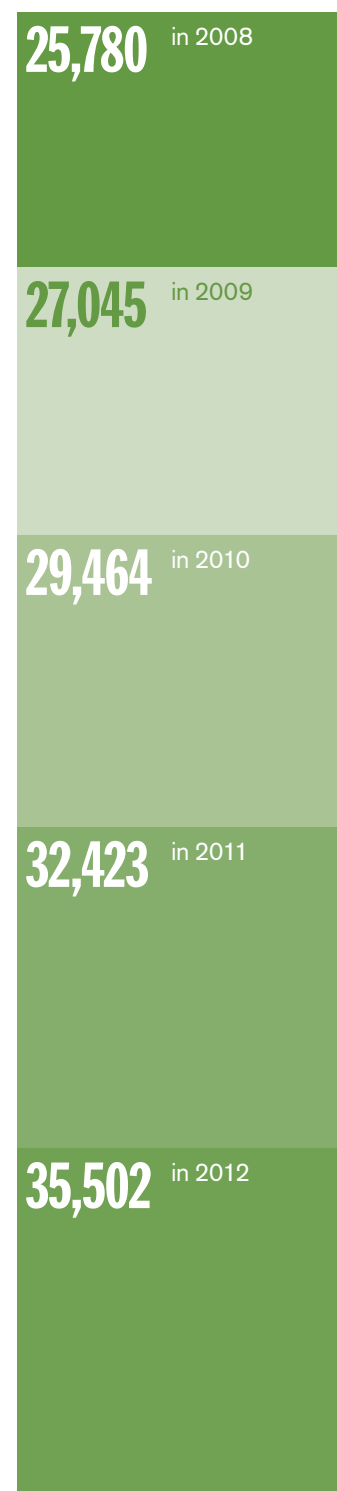
PARTICIPANTS IN OUR DIALOGUES (AVERAGE 2008-2011)



OUR DIALOGUES (AVERAGE 2008-2011)



OUR PERIODICALS' SUBSCRIPTIONS



WHAT WE DO

Insights into a selection of ICTSD's
recent and ongoing work.



EMPOWERING STAKEHOLDERS: ICTSD PERIODICALS

Global policymakers and influencers have trusted ICTSD periodicals as the world's leading source of trade and sustainable development-focused analysis and news since 1996.

ICTSD periodicals have evolved enormously since the first Bridges Updates were distributed on-site at the December 1996 WTO Ministerial Conference in Singapore. At its core, the mission of what ultimately became the Bridges Network of periodicals was simple: serve as a “bridge” between the world of trade negotiations and institutions and the broader sustainable development community. The eight Bridges periodicals aim to provide policymakers and influencers, particularly those left on the margins of negotiations, with the knowledge and context they require to formulate policy on a more level playing field. Building on national and regional networks, each series provides a platform for original analysis and a mechanism that enables them to reach others in their regions and around the world. While providing for a wide range of views, the periodicals remain non-partisan and employ a rigorous editorial approach that has ensured a strong readership in the field and at the highest levels of policymaking.

Over the past fifteen years, ICTSD periodicals have evolved from one English-language newsletter sent by facsimile machine into a strategic multilingual series of electronic-based analytic reviews that cater to the needs of stakeholders in specific regions, as well as globally. In order to ensure that ICTSD periodicals are keeping pace with the needs of fast-paced decision-makers, each periodical can be accessed in several ways: on our website, via free email subscription, through our active social networking channels, RSS, and in hard copy form at conferences and dialogues.

All periodicals and websites were given an extensive design overhaul in 2012. The new design allows for a much more engaging reading experience, particularly on mobile devices. The new website design also allows articles to be published in a more timely fashion

to respond to the ever-increasing demand for access to information.

Keeping ahead of the curve on information and communication technologies is just one of the ways in which ICTSD has excelled in recent years. The priorities of global policymakers are constantly shifting as a result of the political and economic conditions affecting the world. The Bridges Network was designed to ensure that the specific periodicals can adapt to the shifting priorities of their respective regions.

For example, in 2002 ICTSD launched Trade Negotiations Insights and Eclairage sur les Négociations (a French translation) to respond to the demand from African, Caribbean, and Pacific trade policymakers for increased news and analysis on economic partnership agreements (EPA), which emerged from the 2000 Cotonou Agreement. However, as the frenzy of EPA negotiations has tapered off in recent years, policymakers have since expressed an interest in receiving information on a more diverse set of trade issues of interest to Africa. As a result of this shift, publication of the two publications came to a close in 2011 and a new Pan-African periodical, Bridges Africa, was born.

Subscribers to the former periodicals have embraced the new publication, and subscriptions have surged since its first issue was released in April 2012. Coverage of Caribbean-related trade issues has been incorporated into our Latin America-focused periodical, and issues of interest to the Pacific will be taken up in our forthcoming periodical Bridges Asia Pacific.

WEB LINKS TO ICTSD PERIODICALS

Periodicals Homepage

<http://ictsd.org/news/>

Bridges Weekly

<http://ictsd.org/news/bridgesweekly/>

Bridges Trade BioRes

<http://ictsd.org/news/biores/>

Bridges Africa

<http://ictsd.org/news/bridges-africa/>

MOCTbl (Mosty)

<http://ictsd.org/news/bridgesrussian/>

Passerelles

<http://ictsd.org/news/passerelles/>

Pontes

<http://ictsd.org/news/pontes/>

Puentes

<http://ictsd.org/news/puentes/>

桥 (Qiao)

<http://ictsd.org/chinese/china/qiao/>

The Bridges Network: Where the world comes for trade and sustainable development news and analysis.

“ICTSD is an institution that has earned its well-deserved prestige in tracking those sustainable development issues that are most relevant to developing countries.”

Guillermo Valles Galmés, Uruguay's Director of International Trade in Goods and Services and Commodities (and former WTO Ambassador)

PROVIDING INTELLECTUAL LEADERSHIP ON THE FUTURE OF THE MULTILATERAL TRADING SYSTEM

After more than ten years of intense Doha Round talks with only a limited set of deliverables and no clear way forward, the negotiating function of the multilateral trading system is at a crossroads.

From a sustainable development perspective, a prolonged stalemate of negotiations would foremostly affect smaller and weaker countries that rely on a vibrant and predictable rules-based system for global economic governance. The current immobility also hampers the system's ability to respond to pressing and emerging public policy challenges, many of which were not urgent when countries launched the Doha Development Agenda (DDA). Addressing the trade dimension of climate change action, ensuring food security in times of high and volatile prices, or scaling sustainable energy production and diffusion, require coordinated action. The dynamic re-organization of production in highly complex international value chains poses further challenges at the analytical and policy level. In the meantime, preferential trade agreements continue to proliferate, becoming the de facto locus of further economic integration. In this scenario of tensions, in which the global trade system is simultaneously fragmented and deepened, many experts coincide on the merits of urgently addressing a range of questions that go from a review of WTO mechanics in detail, to the effectiveness of WTO's articulation to the broader international governance system, to the better understanding of the readiness of the WTO to respond new challenges and intricacies of the post-crisis economy of the 21st Century.

With the E15 initiative 2012-2014, as a comprehensive, multi-dialogue process looking into the Future of the Multilateral Trade System, and gathering the world's foremost experts, ICTSD has developed an innovative approach to identifying solutions and opportunities for the WTO to more effectively cope with global challenges.

The imperative to address these challenges calls for new and pragmatic approaches to the functioning of the system and international negotiations. In response, ICTSD has generated an analytical process – the E15 initiative 2012-2014 – to enable the WTO to more effectively cope with pressing global challenges. The initiative identifies potential solutions, innovations and opportunities for governance reform focusing on a set of twelve major issues. Through the project, ICTSD brings together experts, policy-makers, business sector players and WTO negotiators through a dynamic of policy dialogues and state-of-the-art analysis in an innovative problem-solving process.

The E15 initiative is an ongoing process involving groups of experts around twelve critical issues organized in two phases as follows:

Phase one, leading to the WTO ministerial Conference in Bali in 2013:

- Agriculture, trade and food security challenges
- New organization of production, global value chains and the WTO
- Preferential, regional and plurilateral trade arrangements and the WTO
- The functioning of the WTO
- Clean energy and the trade system
- Trade and innovation

Phase two, from late 2013:

- Reinvigorating manufacturing – new industrial policy and the trade system

- Measures to address climate change and the trade system
- Fisheries and trade
- Standards
- Investment and competition policy and the trade system
- The services economy, trade in services and the WTO

Each group will develop a set of thoughtful and strategic “policy options” – not consensus papers – on how the WTO could better face current and future challenges. Targeted research and short “think pieces” support the groups’ work to ensure it is based on empirical evidence and factual data. Policy options developed will be merged into a reports released during the Trade and Development Symposium (TDS) organized by ICTSD in Bali, in conjunction with the next WTO Ministerial Conference in 2013, and in a 2014 event.

To ensure engagement with Geneva-based negotiators and to make certain that discussions keep pace with concerns at the multilateral level, each group interacts with delegates through a series of informal consultations. This will enable policymakers to be aware of, and involved in, crafting policy options that will ultimately find their way into the WTO process.

The E15 initiative is designed as a collaborative endeavour. Partner institutions co-manage the work under different expert groups and contribute financially to the organization and follow-up meetings. A wide range of partner institutions of widely recognized excellence including the International Food and Agriculture Policy Council (IPC) in Washington, the Inter-American Development Bank (IADB) and the Bern-based World Trade Institute (WTI), strengthens the initiative.

For further information about the E15 initiative, please see <http://e15initiative.org>.

KEY PAPER

The Future and the WTO: Confronting the Challenges, A collection of short essays



Edited by Ricardo Meléndez-Ortiz, Christophe Bellmann, Miguel Rodríguez Mendoza; ICTSD Programme on Global Economic

Policy and Institutions; July 2012 (e-book)

Mutually agreeable solutions have yet to be found for moving the WTO's stalled Doha Round forward. Through a collection of short essays, this book aims to help in the search for consensus by providing brief but thorough analyses on the most pressing issues in today's global trade environment.

The Future and the WTO features an array of contributions from some of the most distinguished academics, policymakers and practitioners working in the field of international trade policy on a range of topics, including the core functions of the WTO, the role of emerging economies, the influence of regional agreements and institutional challenges.

Vividly written, highly-topical and packed with insightful analysis, *The Future and the WTO* is a must read for everyone interested in the current turmoil of the multilateral trading system.

<http://ictsd.org/downloads/2012/07/the-future-and-the-wto-confronting-the-challenges.pdf>

The imperative for the multilateral trading system to respond to twenty-first century development challenges calls for new thinking and pragmatic approaches to international negotiations.

STRENGTHENING DEVELOPING COUNTRIES' LEGAL CAPACITY

ICTSD believes that equal opportunity to participate in the rule making and rule shaping of the multilateral trading system is essential to ensure the system's fairness and conduciveness towards sustainable development. Only when countries can navigate this increasingly complex and legalized system, will they be able to realise their development potential.

The ability to proactively and constructively manage trade relations – and to thereby avoid conflicts and reap the benefits of global trade – is an important element of the trading system. Sufficient capacity and know-how to monitor rights and obligations and initiate dialogue with trading partners on existing trade barriers, however, is a prerequisite for successful engagement.

Against the background of persisting capacity constraints, it is ICTSD's goal to strengthen countries' legal capacity and thereby empower them to proactively manage their trading relations in the interest of sustainable development.



Over the past several years, ICTSD has developed a unique base of knowledge on legal capacity in the context of multilateral trading rules. While other organizations focus exclusively on advancing individual legal knowledge and litigation and negotiation practices, ICTSD promotes an institutional understanding of legal capacity.

When we asked 52 WTO Member states, including 40 developing countries, what they believed was the major advantage of developed nations in the multilateral dispute settlement system, 88% responded that it was institutional capacity.

On this basis, ICTSD defines legal capacity as access to sufficient well-trained diplomatic and legal staff, well-functioning intergovernmental and multi-stakeholder coordination, processes that support and regulate the involvement of industry, and national legislation that allows for effective implementation.

This ICTSD-led survey further revealed striking regional differences. Results indicated that learning-by-doing is the best way to build strong legal capacity; the more a country is exposed to dispute settlement procedures as a third party, for instance, the more capacity it will build to make full use of all legal options provided by the WTO system – be it in negotiations, committee work, trade policy reviews or litigation.

Following this principle, ICTSD has engaged in a bottom-up assessment of conflict management and avoidance strategies deployed by developing countries of various sizes, geographical locations and phase of development. Through a series of country studies, national and regional dialogues and thematic assessments, we have developed a catalogue of real-life experiences and working best practices for trade conflict management, which we use to offer cutting-edge training and technical assistance in the area of legal capacity.

This work is characterized by a highly-interactive format and a South-South approach: by initiating dialogue among officials from different developing regions, the training, by its nature, focuses on existing challenges, working solutions and a Southern perspective. The more experienced countries become, such as Brazil, Mexico and Thailand, the trainers then share their wealth of expertise with less experienced nations, including many least developed countries.

Since 2012 ICTSD has conducted this type of South-South training in cooperation with the Secretariat of the WTO and the Advisory Centre on WTO Law (ACWL), complemented with more traditional litigation training. Launched alongside the first global South-South Dialogue on Managing Trade Conflicts, held in Geneva in May 2012, the initiative has so far reached close to one hundred delegates from over 30 countries. It is being lauded as the first practice-oriented training that focuses on finding solutions to institutional challenges rather than simply legal knowledge.

Lessons are already being taken home, with countries such as Vietnam developing their own strategy for managing trade conflicts on the basis of ICTSD's training material and a series of ICTSD training and technical assistance sessions.

A "Guide to Managing and Avoiding Trade Conflicts at Home," which will be published as a continuously updated "e-document," will ensure that further use of the knowledge is guaranteed and that public and private stakeholders around the globe have access to the otherwise undocumented wealth of experiences and best-practices from all corners of the world.

Importantly, ICTSD also targets industry and other non-governmental actors, based on the understanding that trade relations are never just in the public realm. Increasing awareness and confidence among these actors is

important for supporting countries to proactively manage their trade relationships so as to realize their development potential.

KEY PAPER

Dispute Settlement at the WTO: The Developing Country Experience



Edited by Gregory C. Shaffer and Ricardo Meléndez-Ortiz

This book provides a bottom-up assessment of WTO dispute

settlement and the related challenges, experiences and strategies of nine individual developing countries in Africa, Asia and South America. It assesses what these countries have done and can do to build the capacity to deploy and shape the WTO legal system. All chapters have been developed by local experts as input for regional dialogues organized by ICTSD.

<http://ictsd.org/i/publications/98179/>

"This innovative book... proves once again that the editors remain among the most thought-provoking researchers on matters of international trade law and policies" E-U Petersmann, *Journal of International Economic Law* (14) 3, Oxford U Press 2011

H.E. Amb. Virachi Plasai, Ambassador of Thailand to the Netherlands: "ICTSD's Legal Capacity project is the first opportunity in my 15 year career as a trade litigator where developing country officials can share, in a very direct manner, their experiences and practices in order to learn from each other. One day they might be your ally, the next day they might be on the other side, but they face the same problems and there is tremendous value in exchange."

PROMOTING FOOD SECURITY, EQUITY AND ENVIRONMENTAL SUSTAINABILITY IN AGRICULTURAL TRADE

Farm trade policies – such as subsidy programmes, or barriers to imports and exports – can help or hinder people’s efforts to escape from hunger in the world’s poorest countries, especially in rural areas.

They can also determine how successful governments are in protecting the natural environment and tackling climate change. Building on its reputation for facilitating dialogue and generating timely and relevant research on policy challenges, ICTSD’s work in this area seeks to promote food security, equity and environmental sustainability in agricultural trade.

1 IN 8 PEOPLE GO TO SLEEP HUNGRY EVERY DAY

870 MILLION PEOPLE HUNGRY WORLDWIDE

In 2011, OECD governments provided USD 252 billion in support to agriculture

There are 130 million fewer hungry people today than 20 years ago

ICTSD is working with governments and experts to identify and pursue trade policy options for reducing hunger and poverty when food prices are high and volatile.

Despite progress, new FAO figures indicate that 870 million people worldwide, or one in eight people, still go to sleep hungry every day. High and volatile prices for food have recently refocused attention on what governments can do to reduce hunger and poverty, especially as changing climatic conditions worsen prospects for people living in the most arid tropical regions. Furthermore, with agencies such as the OECD and FAO projecting that prices will continue rising in the coming decade, there is growing concern that the Doha talks launched in 2001 are increasingly ill-equipped to respond fully to today's and tomorrow's challenges. High energy prices, recurrent weather-related shortfalls in farm output, low yield growth and changing dietary patterns are likely to remain important in determining trends in agricultural consumption, production and trade in years ahead. ICTSD's work in this area therefore seeks to analyse the challenges created by these new trends,

and look at options for overcoming them. ICTSD has been working with agencies such as the FAO and with governments themselves to tackle the main trade issues generated by the price spikes – such as the role of food reserves, weak disciplines on export restrictions and the impact of biofuel subsidies and blending mandates. The organization's work in this area has informed policymaking at both the international and national levels. For example, ICTSD research on biofuels and price volatility has been used in the US by Members of Congress, corn producers, biofuel groups and NGOs, as well as by trade officials in Geneva. Meanwhile, ICTSD continues to provide a forum for constructive and informed dialogue on the relationship between agricultural export restrictions and food security – a controversial issue on which WTO Members continue to be sharply divided. Because of their particular vulnerability to escalating food import bills, least developed and poor net food-importing countries form a particular focus of ICTSD's work in this area. These groups have long argued that existing WTO mechanisms are difficult to operationalize, and represent only a partial and inadequate response to the problems they face. The organization is therefore highlighting the implications of the new trade policy environment for these countries through a series of

meetings and studies, and will continue to explore options that would improve the ability of these countries to make food available to domestic consumers at affordable prices.

With a general breakdown of trust amongst governments hindering attempts to achieve progress on the more controversial aspects of trade and food security, ICTSD's role as an impartial facilitator of dialogue is seen as particularly important by trade officials. One negotiator from a small developing country told the organization that, as an independent external actor, ICTSD is "able to get the ball rolling" on trade and food security issues in a way that WTO Members themselves have been unable or unwilling to do. ICTSD is continuing to promote more equitable and sustainable outcomes on trade and food security by making this analysis available to key actors at critical moments in the policymaking process.

ICTSD is exploring how trade rules can best safeguard food security in poor, food-importing countries.

ICTSD is helping countries understand how biofuel policies affect prices, production and trade.

ICTSD is working with policymakers and experts in major economies to ensure that farm trade policies and rules achieve public policy goals without unfairly harming producers elsewhere.

Policymakers are under pressure from farmers to design support programmes that cushion producer incomes in years ahead despite fiscal constraints and sluggish economic growth. Meanwhile, emerging economies are grappling with how best to design programmes to overcome food insecurity and stem environmental degradation, without causing more than minimal trade distortion under WTO rules. Poorer countries seeking to raise rural incomes and meet projected demand increases have similarly sought to understand which approach to farm policy reform might prove most useful. ICTSD's work on farm trade policies in major economies seeks to ensure that policies and rules help countries address public policy challenges without unfairly harming producers elsewhere.

Geneva-based delegates have expressed concern that the sustained impasse in the Doha talks could handicap future attempts to negotiate new rules on farm trade at the WTO, not least because negotiators are increasingly divorced from their trading partners' domestic debates about the relationship between policy instruments and broader objectives. In part because of the design of WTO agreements, policy instruments such as market price support have declined in importance, whereas others, such as risk insurance programmes, are becoming more important. At a more fundamental level, the basic objectives of farm policy are evolving, with climate change and environmental protection goals gaining significance as a justification for the use of certain policy instruments in the EU, while raising rural incomes and tackling food insecurity is increasingly cited by

policymakers in Beijing as the objective behind rapidly-rising Chinese farm support programmes. ICTSD is therefore exploring the relationship between agricultural trade and related public policy goals with a view to setting in place the conditions for a more constructive discussion on the future of agricultural trade policy reform at the multilateral level.

A series of informal policy dialogues in Brussels, Washington, Beijing, Moscow and Geneva have provided opportunities for domestic policymakers to engage with academic experts, domestic constituencies and international trade negotiators. Country studies and related issue-specific analysis is being conducted by independent experts who are experienced in advising on policy formulation, and who also contribute to the wider initiative through peer review and participation in national dialogues. Beginning with India and Brazil, ICTSD plans to extend this work to other major economies in the developed and developing world, before bringing the main findings back to Geneva ahead of the WTO's Bali Ministerial Conference in 2013. However, ICTSD research has already informed discussion on the US Farm Bill and the EU's Common Agricultural Policy (CAP), with the organization's analysis being cited by the WTO, the European Commission, and in studies for the European Parliament, US Congress and EU member states.

ICTSD is analysing how future farm policies in major economies relate to trade, development and the environment.

KEY PAPERS

The Impact of US Biofuel Policies on Agricultural Price Levels and Volatility



By Bruce A. Babcock;
ICTSD Programme
on Agricultural Trade
and Sustainable
Development; Issue
Paper 35; June 2011

Changes in developed country biofuel policy are some of the key recommendations of an intergovernmental organization report to the G20, a group of leading economies. This paper provides in-depth analysis on the relationship between biofuel policy in the US and food price volatility. In addition, it identifies options that are available to decision-makers for addressing any adverse effects.

<http://ictsd.org/downloads/2011/12/the-impact-of-us-biofuel-policies-on-agricultural-price-levels-and-volatility.pdf>

Policy Solutions to Agricultural Market Volatility: A synthesis



By Stefan Tangermann;
ICTSD Programme
on Agricultural Trade
and Sustainable
Development; Issue
Paper 33; June 2011

Prof. Stefan Tangermann provides a synthesis of evidence available regarding the causes of recent episodes of volatility on agricultural markets, the likelihood of increased volatility in the future, policy responses to recent episodes of volatility in different groups of countries, and options for future policy responses at both the national and the international level.

<http://ictsd.org/downloads/2011/12/policy-solutions-to-agricultural-market-volatility.pdf>

FOSTERING TRADE IN SUSTAINABLE ENERGY GOODS AND SERVICES

ICTSD's Global Platform on Climate Change, Trade and Sustainable Energy mobilizes technical and political experts to address the nexus between trade, climate change and energy.

The initiative's goal is to foster strong multilateral regimes that promote the transition to a low-carbon economy and a sustainable energy future. Trade can play an essential role in climate change mitigation and adaptation and at the same time, efforts to address climate change can impact on trade. Against this background it is crucial for the trade and climate change communities to connect and to deepen their understanding of these interlinkages, so that policies are coherent and ultimately supportive of sustainable development.

**“
SETA IS A WAY TO BRING TRADE
LIBERALIZATION IN CLIMATE
FRIENDLY GOODS AND SERVICES
BACK ON THE AGENDA.”**

Pia Ohlsen Dyhr,
Minister of Trade and Investment, Denmark,
at the Brookings Institution, 26 April 2012

ICTSD is proposing Sustainable Energy Trade Initiatives, SETI, including a Sustainable Energy Trade Agreement, SETA, for strengthening renewable energy goods and services markets so as to support climate change mitigation, access to energy and global energy security.

Around 20% of the global population (1.4 billion people) lacks access to electricity. At the same time, global energy demand is expected to increase by 40% between 2009 and 2035. Yet, fossil fuel supply is volatile and sensitive to political developments, causing serious concerns of energy security. A swift shift to sustainable energy therefore promises a “triple-win” with significant social, environmental and economic benefits.

In spite of this potential, the sector's opportunities to flourish are limited by a broad range of distortive policies and practices, including trade barriers. For example, measures such as trade-restrictive local-content requirements lead to higher costs for consumers, a slow-down in progress on innovation and ultimately higher costs for renewable energy. At the same time, the main substitute to



renewable energy, fossil fuels, benefits from considerable levels of subsidies. Compounded together, this delays renewables from becoming a viable option.

ICTSD's objective is therefore to spur the creation of a governance framework that will foster trade in sustainable energy goods and services, thereby leading to widespread development, deployment, and dissemination of sustainable energy technology at the lowest possible cost. In pursuing this, ICTSD has created the SETI Alliance, a support mechanism where public and private actors join forces to promote the formulation of policies addressing markets for sustainable energy goods and services. Such a Sustainable Energy Trade Agreement (SETA) could be developed and implemented within the WTO framework, or – against the backdrop of the current stalemate of the WTO – as a stand-alone, outside agreement.

Since 2011, ICTSD has been working with the Peterson Institute for International Economics and the Global Green Growth Institute to develop an analytical case for a SETA. Together with international leading experts, the team has analysed obstacles and challenges to trade in sustainable energy goods and services and has explored options for a way forward.

The partners to SETA also regularly engage in dynamic multi-stakeholder dialogue in order to ensure the agreement responds effectively to the varying needs and concerns of different stakeholders. ICTSD also strives to engage governments and intergovernmental agencies through larger conferences and small, dedicated workshops.

A key outcome from the work with a SETA has been the Global Green Growth Forum (or, 3GF). It is here that the initiative was first successfully launched in November 2011, with the

support of the Danish government. In the subsequent 3GF strategy session in October of 2012, ICTSD also secured the support of several prominent participants, including the chair of the UN Sustainable Energy for All Initiative.

Moreover, the concept has the full and active support of a group of influential stakeholders called the “Friends of Rio +20.” Similarly, the “Business-20” (B20), an international forum aimed at fostering dialogue between governments and the global business community, has endorsed the SETA and put it forward as a recommendation to the G20. Furthermore, the Green Growth Action Alliance (G2A2), a public-private partnership of green growth leaders, chaired by the Mexican President Felipe Calderon, is actively working towards securing an extended support for the SETA.

In a relatively short time, ICTSD has thus taken SETA from a concept to a platform bolstered by rigorous research and a growing body of international support.

A growing circle of countries adhere to the SETA-concept. While concrete negotiations are still a few steps away, there are positive examples of intergovernmental action that could be further built upon. Most notable is the APEC agreement to liberalize applied tariffs on a range of environmental goods, including those that are climate-friendly – a process to which ICTSD's support has been instrumental.

THE GLOBAL GREEN GROWTH FORUM AND ICTSD

The Green Global Growth Forum, or 3GF, is an action-oriented public-private partnership for green growth. Launched in 2011 by the governments of Denmark, Mexico and Korea, the 3GF brings together high-level political and corporate leaders at annual forums to encourage collaboration among businesses, experts and public institutions.

ICTSD, in cooperation with the Peterson Institute for International Economics and the Green Growth Institute, first launched the SETA at the 3GF inaugural meeting in October 2012. SETA garnered further support from institutions such as the United Nations Industrial Development Organization (UNIDO) and the World Resources Institute and representatives of the Chilean Government. In particular, participants endorsed the approach taken by ICTSD and its partners to work with broad alliances of private and public sector actors along with civil society. The growing body of support from cross-cutting sectors will play an important role as ICTSD continues to pursue sustainable energy objectives.

“
**WE ALL LOSE, AND THE ENVIRONMENT LOSES,
WHEN WE FACE TRADE BARRIERS THAT PREVENT
FREE MOVEMENT OF SUSTAINABLE TECHNOLOGIES.”**

World Economic Forum, Open Letter for green free trade, 8 October 2012

KEY PAPERS

Legal Options for a Sustainable Energy Trade Agreement



By Matthew Kennedy;
Issue Paper; ICTSD
Global Platform on
Climate Change, Trade
and Sustainable Energy;
July 2012

This paper analyses the existing legal frameworks within which a possible Sustainable Energy Trade Agreement could be negotiated to address energy-related trade governance and the resulting legal challenges and opportunities. It looks at a number of options under which a SETA could be given legal shape within and outside the WTO and assesses the pros and cons of the various approaches. In addition, it touches on a number of important considerations, such as the negotiating procedures, issues of accession, relationship to existing WTO rules and obligations and dispute settlement. The author also puts forward arguments as to why the WTO would provide the best forum to house such an agreement.

The paper, conceived by ICTSD, is part of a joint initiative on the promotion of sustainable energy, undertaken by the Global Green Growth Institute, the Peterson Institute for International Economics and ICTSD. It is written by Matthew Kennedy of the University of International Business and Economics, Beijing and formerly a senior lawyer in the WTO Secretariat.

<http://ictsd.org/downloads/2012/07/legal-options-for-a-sustainable-energy-trade-agreement.pdf>

Governing Clean Energy Subsidies, What, Why, and How Legal?



By Arunabha Ghosh,
Himani Gangania; ICTSD
Global Platform on
Climate Change, Trade
Sustainable Energy;
August 2012

What kind of clean-energy support measures can be maintained under international trade rules and what cannot? Policy certainty reflected within a clear and coherent trade and energy governance regime is critical for boosting investor confidence and fostering clean energy investments. Ambiguity on clean energy support measures within WTO rules could cast a chilling effect on domestic efforts to scale up sustainable energy. One way of dispelling such ambiguity is through a possible Sustainable Energy Trade Agreement (SETA). This paper emphasises the importance of understanding what are the types of clean energy subsidies countries usually provide, why countries provide them, and how they fit into existing legal mechanisms. A SETA, by simultaneously addressing these questions and clarifying existing WTO subsidy rules, would add to the certainty and predictability of a country's trade and investment climate.

<http://ictsd.org/downloads/2012/09/governing-clean-energy-subsidies-what-why-and-how-legal.pdf>

The Inclusion of Aviation in the EU ETS, WTO Law Considerations



By Dr Lorand
Bartels; ICTSD
Programme on
Trade and Environment;
Issue Paper 6;
April 2012

This paper contains an assessment of the inclusion of aviation in the European Union Emissions Trading System (EU ETS) in the context of WTO law. The decision of the EU to apply the EU ETS to aviation has already raised substantial controversy. Several airlines have – unsuccessfully – pursued proceedings against the legislation at the European Court of Justice, and a group of almost 30 nations have been working together to develop a strategy to counter Brussels' plan, with some governments having already prohibited their airlines from complying with the EU scheme.

In order to put this legal analysis in the context of a broader political and strategic landscape, this paper includes a commentary written by Professor Robert Howse of the New York University School of Law.

<http://ictsd.org/downloads/2012/05/the-inclusion-of-aviation-in-the-eu-ets-wto-law-considerations.pdf>

“
DEVELOPING COUNTRIES HOST MORE THAN 50% OF CURRENT GLOBAL RENEWABLE ENERGY CAPACITY.”

UN Sustainable Energy for All Initiative

ASSESSING THE EFFECTIVENESS AND DEVELOPMENT IMPACT OF AID FOR TRADE

When WTO Members launched the Aid for Trade (AfT) Initiative in 2005 their primary goal was to support developing countries – particularly least developed countries (LDCs) – to overcome the structural constraints that hampered their participation in world trade.

Since its launch, the donor community's response has been overwhelmingly positive, as indicated by the substantial increase in AfT resources. In 2010, total commitments reached approximately USD 44.8 billion, a 60% increase from the 2002-05 baseline, and disbursements have grown steadily since 2006, reaching USD 32.4 billion in 2010 (OECD). Africa has received most of these additional resources, which have continuously increased since the baseline period to more than USD 11 billion in 2010 (41% of total aid for trade disbursements). In the same year, Aid for Trade disbursements for Asia totalled USD 12.8 billion, whereas Latin America and the Caribbean, Europe and Oceania received USD 3.1 billion, USD 2 billion and USD 365 million, respectively.

ICTSD and its partners have created an innovative methodology for measuring Aid for Trade's effectiveness and, ultimately, for enabling developing countries to increase their participation in the multilateral trade system.

At the centre of the international dialogue on AfT is the effectiveness of trade-related development assistance. As part of this debate, ICTSD and the Nepal-based South Asia Watch on Trade, Economics and Environment (SAWTEE) have developed a methodological framework for conducting country level assessments of AfT's effectiveness. The methodology uses a series of qualitative and quantitative indicators to measure critical aspects of the initiative, such as additionality and predictability of funds, mainstreaming of trade, local ownership of the initiative and donors' alignment and coordination. These objective indicators are complemented by an impact assessment of AfT projects in a particular sector of AfT category and

at the macro level. (The methodology is available on ICTSD's website at <http://ictsd.org/i/publications/119066/>).

Thus far, this methodology has been applied to ten developing and least developed countries. Each country study is conducted by a group of independent local researchers in coordination with ICTSD. To carry out the analysis, researchers organize structured interviews with key national players in the AfT field and work in close collaboration with government agencies, development partners, the private sector and other local stakeholders to collect data and information. In addition, a national workshop is organized in every country to present and discuss the study and to stimulate a dialogue among key stakeholders. Through a participatory approach, the project aims to contribute to a better understanding of the needs and opportunities in partner countries and to assist them in implementing AfT programmes more effectively. It has also directly contributed to raising awareness among the private sector and increasing ownership at the country level.

An ICTSD programme conducted in Guatemala together with the Centro de Investigaciones Económicas Nacionales (CIEN) serves as a strong example of the likely impact this project can have on the ground. Since the early stages of the programme, ICTSD and local researchers closely collaborated with the Ministry of Economy. As highlighted by one government official:

"The study contains an in-depth diagnostic of how aid for trade is being utilized in Guatemala and makes recommendations on how to improve its use as a part of Guatemalan domestic trade policy. As a tangible result of the study, Guatemalan authorities are currently considering to put in place a National Aid for Trade Strategy."

The Ministry has since appointed the Secretaría de Planificación y Programación de la Presidencia de la República to adopt this strategy in consultation with CIEN and key institutions involved with the implementation of AfT in Guatemala.



Similarly, the government of Nepal has adopted a National Trade Integration Strategy, which aims to strengthen the country's capacity to coordinate and manage Aid for Trade programmes. In doing so, the government consulted SAWTEE, which, through its country assessment, identified a series of specific policy recommendations focused on improving AfT performance in the Himalayan state (the paper is available at: <http://ictsd.org/i/publications/122621/>). As suggested in the study, the government is now advocating for the creation of a dedicated Aid for Trade fund to ensure better transparency around the process and to foster ownership, coordination, alignment, harmonization and aid effectiveness.

The information generated through this project aims to help developing country recipients, as well as donors and private sector actors, to identify ways of improving AfT's effectiveness at the international level. By applying a series of qualitative and quantitative analytical methods, the studies have highlighted concrete policy recommendations and generated a unique body of knowledge based on practical experiences that have informed the global debate on Aid for Trade, thereby helping to ensure that AfT effectively delivers on development and poverty alleviation.

Further information about ICTSD Aid for Trade dialogues and research are available at: <http://ictsd.org/programmes/a4t/>

KEY PAPERS

Evaluating Aid for Trade Effectiveness on the Ground, A Methodological Framework



By Ratnakar Adhikari;
ICTSD Programme on
Competitiveness and
Sustainable Development;
Issue Paper 20; November
2011

This paper is part of a research project that ICTSD has undertaken to assess the effectiveness and impact of Aid for Trade (AfT) at the country level. In doing so, ICTSD seeks to complement existing monitoring mechanisms led by the WTO and the OECD by providing a comprehensive picture of the unique experiences of individual countries in their effort to enhance their capacity to trade through AfT.

As part of this project, this paper develops a comprehensive methodological framework for conducting country level assessments of the effectiveness of AfT. While the methodology was developed for the purpose of conducting pilot studies in Nepal, Cambodia, Malawi, Mauritius and Peru, it can also be used for further studies in other countries or regions. Indeed, the framework developed here aims to provide organizations interested in conducting country studies with a systematic approach to capture the unique experiences of individual countries in enhancing their trade capacity through AfT.

<http://ictsd.org/downloads/2011/11/evaluating-aid-for-trade-effectiveness-on-the-ground-a-methodological-framework.pdf>

A Review of Trade Preference Schemes for the World's Poorest Countries



By Sam Laird; Issue
Paper 25; ICTSD
Programme on
Competitiveness
and Development;
October 2012

The current low participation of least developed countries in world trade could be a critical factor hindering their development. In fact, today LDCs only account for about 1% of world trade. As a result, the international community has put in place a number of initiatives aimed at stimulating LDCs participation in the trading system, including supporting LDCs with preferential market access as well as special and differential treatment in regard to their international trade obligations.

This study analyses the implementation of preferential trade schemes in seven major markets – Canada, China, European Union, India, Japan, Korea and the United States – and simulates the possible impact on LDCs stemming from extending full duty free and quota free market access in concluding non-agriculture market access negotiations in the Doha Round. The paper provides detailed information on country and product coverage, limitations on the schemes, and estimates of their value.

The analysis aims to contribute to the on-going discussions in the WTO and beyond. It also provides information that LDCs' trade and development partners can consider in designing future preference schemes for the world's poorest economies.

<http://ictsd.org/downloads/2012/10/a-review-of-trade-preference-schemes-for-the-worlds-poorest-countries.pdf>

ENSURING TRANSFORMATION OF POOREST COUNTRIES HAPPENS

ICTSD's LDC IV Monitor helps to advocate for greater participation of least developed countries in the international trade community through comprehensive, multi-stakeholder monitoring.

The United Nations currently classifies 48 countries as least developed (LDCs) based on low income, human assets weakness and economic vulnerability. With around 880 million people living in the world's poorest countries, LDCs constitute about 12% of the world's population, yet contribute to just 1% of world trade.

Since the UN established the LDC category in 1971, international efforts to eliminate the conditions that make these countries "least developed" have had meagre results. In response, in September 2011, ICTSD and partner institutions established the "LDC IV Monitor," a consortium to monitor and assess the implementation of the Istanbul Programme of Action (IPoA) adopted by the Fourth United Nations Conference on the Least Developed Countries (UN LDC IV). The consortium

aims to contribute to an improved delivery of commitments made by the international community to LDCs. Drawing its strength from the expertise of its members, the consortium undertakes policy research, organizes dialogues and carries out outreach activities that cover the key issues laid out in the IPoA.

Current partners to the programme include the Centre for Policy Dialogue (CPD) in Bangladesh, OECD Development Centre in Paris, Centre for Applied Economic Studies (CREA) in Senegal, Eco-nomic and Social Research Foundation (ESRF) in Tanzania, Foundation for International Development Study and Research (FERDI) in France, Galatasaray University (GSU) in Turkey, the Commonwealth Secretariat (ComSec) in London, and ICTSD.

The IPoA outlines the mutually agreed development agenda between the LDCs and development partners and gives an overall direction for the international community's strategy towards LDCs. Its overarching target is "to overcome the structural challenges faced by the least developed countries

in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the least developed country category." (IPoA, para. 27)


The outcome of the partnership is a report to be published every two years until 2020 that brings together the results of monitoring exercises. It will identify shortfalls as well as contribute analysis and recommendations on the individual priority areas of the IPoA. The first report is set to launch at the UN General Assembly meeting in September 2013.

More information can be found here: www ldc4monitor.org



CENTRE FOR POLICY DIALOGUE (CPD)
BANGLADESH
a civil society think tank



A photograph of a fisherman in a wooden boat on a blue sea. The fisherman's hand is visible, holding a fishing line. In the foreground, several large fish are visible. The background shows a range of mountains under a clear sky.

“WE WILL WORK TOGETHER. I AM VERY KEEN TO SEE THE PROGRESS ON LDC IV MONITOR. IMPLEMENTATION IS KEY TO THE ISTANBUL PROGRAMME OF ACTION. COMPREHENSIVE AND MULTI-STAKEHOLDER APPROACH TO MONITORING WOULD HELP BETTER ADVOCATE THE CAUSE, CONCERNS AND EXPECTATIONS OF THE LDCS AND, BY EXTENSION, THE INTERNATIONAL COMMUNITY AS A WHOLE.”

Statement by Gyan Chandra Acharya,
Under-Secretary-General and High Representative for
the Least Developed Countries, Landlocked Developing
Countries and Small Island Developing States

THE ICTSD TRADE AND DEVELOPMENT SYMPOSIUM

“The present state of the multilateral trading system is a success story but under strain today” said Marie-Gabrielle Ineichen-Fleisch, State Secretary, Director of the State Secretariat for Economic Affairs (SECO) in her opening statement of the Trade and Development Symposium (TDS) on 16 December 2011. The ICTSD-organized TDS was held in parallel to the Eighth WTO Ministerial Conference (MC8) in Geneva, Switzerland. ICTSD has provided such multi-stakeholder platforms concurrent with each WTO Ministerial since 1996; in symposium format since 2003 in Cancún, Mexico.

By providing an opportunity to engage in substantive discussions in a non-negotiating context, these have proven valuable for policymakers, trade negotiators and representatives of intergovernmental and non-governmental organizations, as well as academics and private sector actors.

The 2011 TDS focused on the future of the multilateral trading system. The high-level roundtables and panel sessions, targeted topics such as the new challenges for the multilateral trading system, regional trade agreements, emerging economies and LDCs, institutional reforms and the future of the WTO. 44 high-level speakers from 25 different countries, including Ministers and heads of

international agencies plus over 400 participants, attended. The TDS included the launch of the *LDC IV*

Monitor, a knowledge partnership of ICTSD and a group of foremost think tanks and academic institutions to contribute to attainment of the high goals agreed earlier in 2012 at the Fourth United Nations Conference on Least Developed Countries (UN LDC IV).

Following a tradition of partnerships of excellence such as El Colegio de México (Cancún 2003), Hong Kong University (HK 2005) and SECO (Geneva 2009, 2011) the ICTSD's TDS at the WTO's Ministerial Conference in Bali in December 2013 is co-organized with the Centre for Strategic and International Studies (CSIS), Jakarta. At this occasion ICTSD expects to launch the first *World Trade Business Forum* in association with the International Chamber of Commerce (ICC) and other leading business organizations as an innovative platform that promotes systemic engagement at the WTO with this most critical stakeholder group. For further information about the ICTSD Trade and Development Symposia, please see <http://ictsd.org/events/tds/>.



FOSTERING INNOVATION, CREATIVITY AND TECHNOLOGY

Innovation is increasingly a catalyst of economic growth and plays an essential role in responding to global challenges, such as public health, climate change and food security.

At the same time, technology is a driving force behind the emerging knowledge economy. Traditional legal frameworks regulating knowledge – such as intellectual property rights (IPRs) – are increasingly torn between those seeking to strengthen or weaken them in the face of multiple challenges induced by technological change.

In that context, ICTSD is working to foster frameworks for innovation, creativity and technology that adequately serve the needs of developing countries and that address sustainable development challenges. Intellectual property rights regimes that balance private rights and public interest to benefit development goals is another primary aim of ICTSD's work.

UNDERSTANDING THE ROLE OF PATENTS IN DEVELOPMENT AND DIFFUSION OF CLEAN ENERGY TECHNOLOGIES

ICTSD collaborated with the United Nations Environment Programme (UNEP) and the European Patent Office (EPO) in a landmark study that yielded important insights on the relationship between patents and the development and transfer of clean energy technologies.

The development of technology and its rapid distribution are considered crucial for tackling the climate change challenge. Enhancing technology transfer towards developing countries has been an integral part of the global climate change regime since the creation of the United Nations Framework Convention on Climate Change (UNFCCC). Within this context, the role of intellectual property rights (IPRs) in the transfer of climate change technologies has been a particularly contentious issue.

Increased research on the links between technology transfer and intellectual property is necessary to understand the underlying issues and to develop effective technology-related international co-operative actions on climate change. Against this backdrop, UNEP, the European Patent Office (EPO) and ICTSD joined forces to undertake an empirical study on the role of patents in the transfer of clean energy technologies (CETs).

The collaborative project was comprised of three main components: (1) a technology-mapping study of key CETs (in this case, defined as energy generation technologies with the potential to reduce greenhouse gas emissions); (2) a patent landscape based on the identified CETs; and (3) a survey of licensing practices.

Based on the technology mapping study, a new classification for CETs was established in order to derive the patent data. Using this data, a statistical analysis was then carried out. The findings showed that patenting rates (patent applications and granted patents) in the selected CETs increased at roughly 20% per annum since 1997. In that period, patenting in CETs outpaced traditional energy sources of fossil fuels and nuclear energy. The surge of patenting activity

in CETs coincided with the adoption of the Kyoto Protocol in 1997, making a strong case for the argument that political decisions that set adequate frameworks are important for stimulating CET development.

Findings from the licensing survey provided useful insights on the perception of technology holders in undertaking out-licensing activity. For example, 70% of respondents said they were prepared to offer more flexible terms when licensing to developing countries with limited financial capacity.

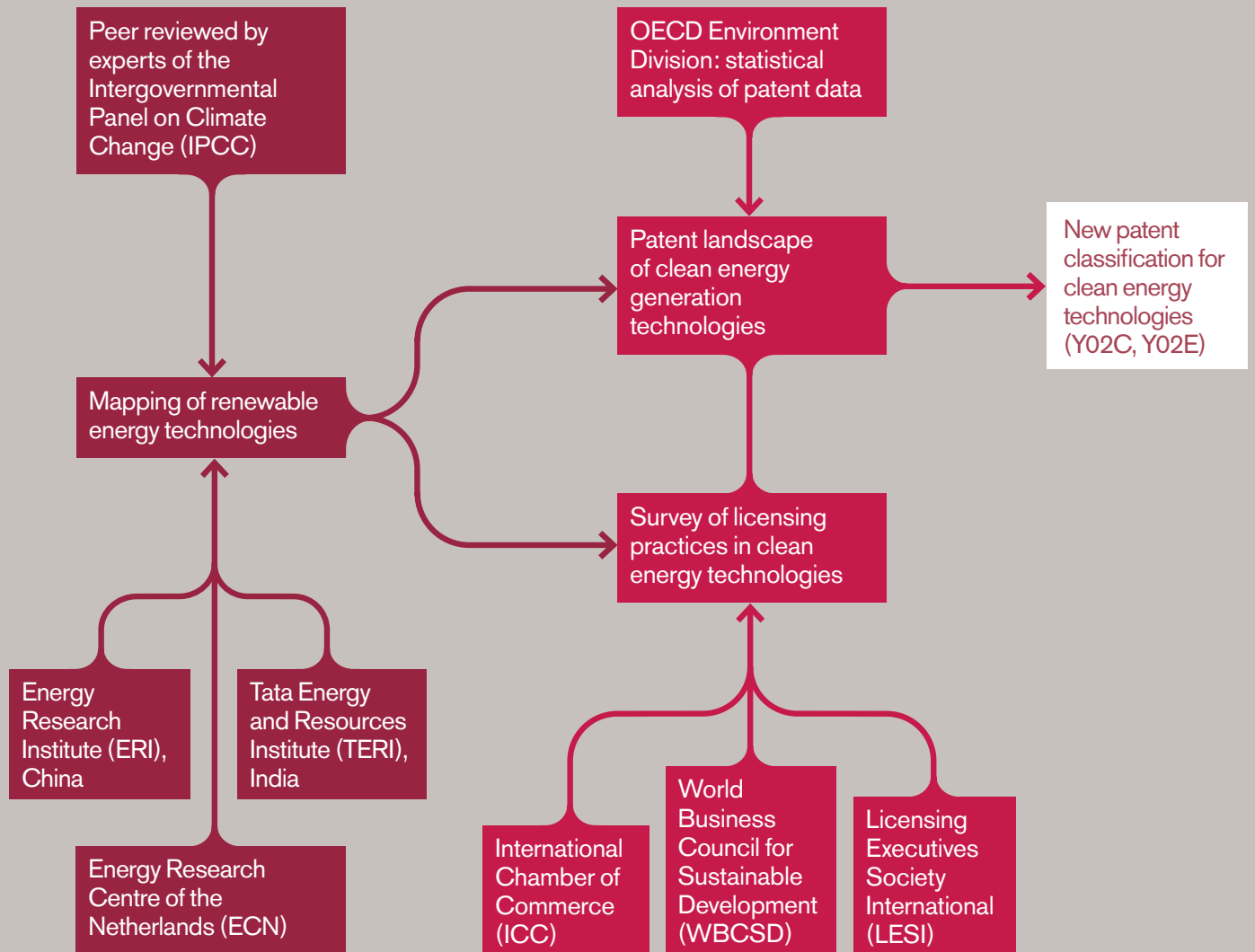
In the context of establishing the patent landscape – the third component of the collaborative project – the EPO developed and launched a new classification scheme for patents in climate change mitigation technologies, starting with CETs, which is now available on their public patent information service (esp@cenet). The new scheme provides continuous, accurate and user-friendly patent information and thus helps to improve the transparency of the patent system in this critical sector.

This figure shows the different parts of the ICTSD-EPO-UNEP empirical study on the role of patents in the transfer of clean energy technologies (CETs) and the participation of key stakeholders in the production process.

Links: <http://ictsd.org/i/publications/85887/>



UNEP-EPO-ICTSD REPORT ON PATENTS AND CLEAN ENERGY



6 COUNTRIES ACCOUNT FOR 80%
OF PATENT APPLICATIONS FOR
CETS: JAPAN, THE US, GERMANY,
KOREA, THE UK AND FRANCE

20% INCREASE PER ANNUM IN PATENTING RATES OF CETS, COINCIDES WITH THE ADOPTION IN 1997 OF THE KYOTO PROTOCOL

KEY PAPERS

Realizing the Potential of the UNFCCC Technology Mechanism, Perspectives on the Way Forward



By John Barton, Padmashree Gehl Sampath, John Mugabe; Issue Paper 35; ICTSD Global Platform on Climate Change, Trade and Sustainable Energy; May 2012

The development and large scale diffusion of clean energy technologies is a critical component in the responses to climate change, particularly for developing countries that often experience the most severe consequences. From this perspective, the establishment of a Technology Mechanism (TM) under the United Nations Framework Convention on Climate Change (UNFCCC) is a milestone and a potentially positive development for global efforts aimed at enhancing action on technology development and transfer for climate mitigation and adaptation. Against this background, this issue paper brings together a number of think pieces that seek to contribute to the process of operationalization of the TM by making suggestions on how it can address the range of issues and challenges it faces.

The first piece by Padmashree Gehl Sampath reflects on how the TM can “keep its promise” and deliver a novel approach focused on technology development and innovation rather than simply transfer. The second think piece by John Mugabe brings an African perspective pointing out that African countries require endogenous capabilities to adopt and use technologies already available to them. The last contribution is a draft of a paper that the late Professor John Barton was writing for ICTSD when he unexpectedly passed away in 2009. This “work in progress” looks at the implementation of technology transfer provisions in international environmental agreements and seeks to draw lessons that are still relevant as the TM becomes operational.

<http://ictsd.org/downloads/2012/05/realizing-the-potential-of-the-unfccc-technology-mechanism.pdf>

As a result of the study, the EPO created a new patent classification scheme for clean energies and a searchable database now available on the EPO's patent information service (esp@cenet)
<http://ictsd.org/i/publications/85887/>

Overcoming the Impasse on Intellectual Property and Climate Change at the UNFCCC: A Way Forward



By Ahmed Abdel Latif, Keith E. Maskus, Ruth Okediji, Jerome Reichman, Pedro Roffe; Policy Brief 11; ICTSD Programme on Innovation, Technology and Intellectual Property; November 2011

With the international community looking to the UNFCCC Conference in Durban for results, an important opportunity exists to address one of the most contentious issues in the climate change debate: the role of intellectual property rights in the development and access to mitigation and adaptation technologies.

While global climate change negotiations have made some progress in the area of technology transfer, as reflected in the agreement in Cancun (2010) to establish a Technology Mechanism under the UNFCCC, intellectual property has remained a divisive issue. Not only has no agreement been reached in this area, but even the path to a constructive and meaningful discussion seems elusive.

<http://ictsd.org/i/publications/120254/>

ASSESSING LDCS TECHNICAL NEEDS ASSISTANCE IN INTELLECTUAL PROPERTY

ICTSD, in co-operation with Sanaa Consulting, assisted least developed countries (LDCs) in undertaking intellectual property needs assessments that were submitted to the TRIPS Council.

The 1994 WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) set binding minimum intellectual property standards for all WTO Members for the first time. LDCs at the time were not required to apply the provisions of the TRIPS Agreement – other than the most-favoured nation clause and national treatment disciplines – for a period of ten years from its entry into force in light of financial and administrative constraints as well as other special needs and requirements.

In 2005, the WTO TRIPS Council decided to prolong the transition period granted to LDCs to implement the TRIPS Agreement and called upon LDCs to provide the WTO with their specific technical and financial assistance needs by 1 January 2008. By January 2007, no LDC had yet submitted this information to the TRIPS Council.

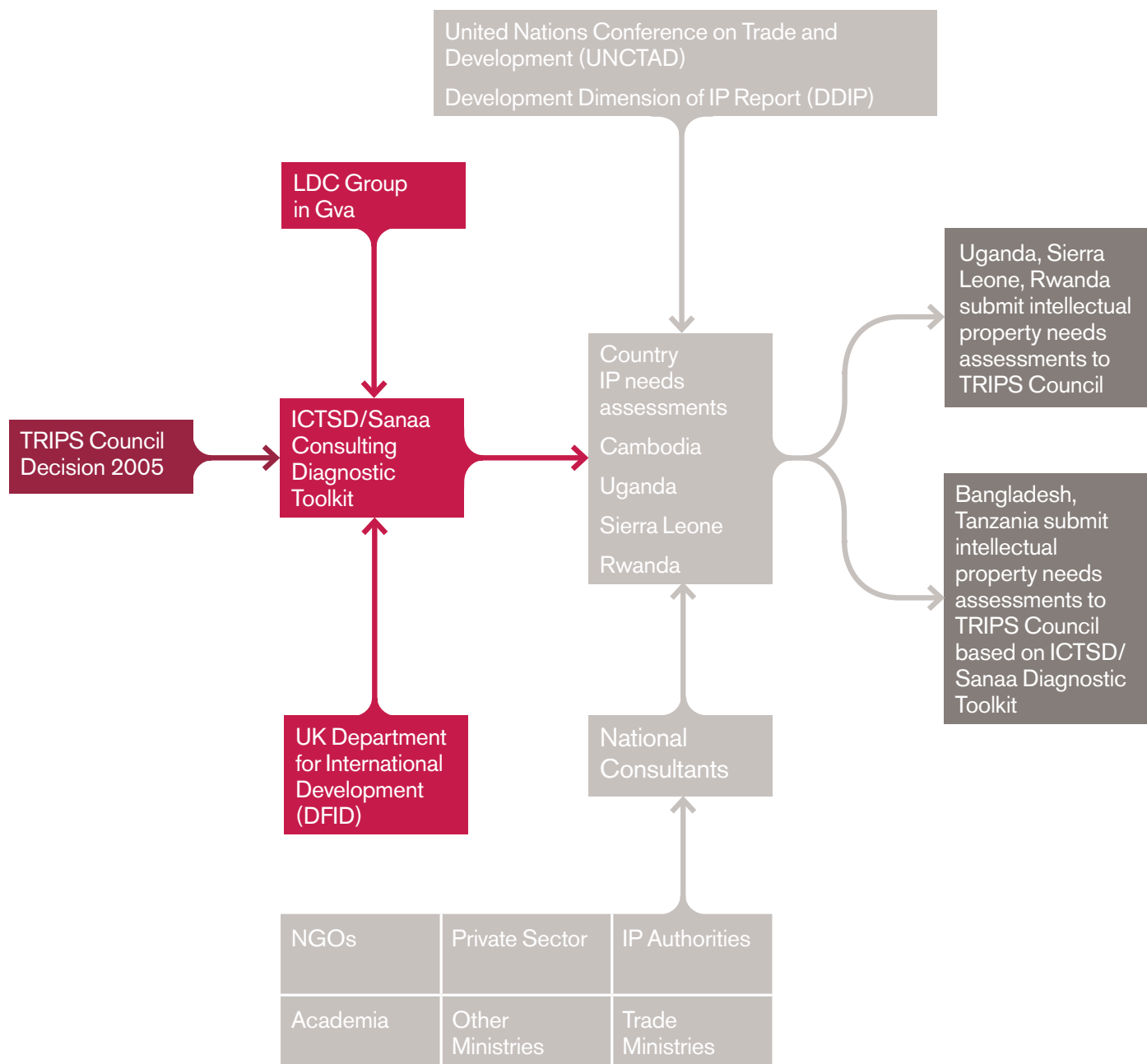
In response, in 2007 ICTSD, in co-operation with Sanaa Consulting and the support of the UK Department for International Development (DFID), launched a project to undertake LDCs needs assessment upon request. A 'Diagnostic Toolkit' was provided, tailor-made for LDCs, aimed at identifying IP technical assistance and financial co-operation needs in five areas: (1) the national development context; (2) the IP policy framework; (3)

the IPR administration regime; (4) the IP enforcement and regulation regime; and (5) issues pertaining to the promotion of innovation, creativity and technology transfer.

Five LDCs (namely Sierra Leone, Uganda, Rwanda, Bangladesh and Tanzania) that submitted their priority needs for technical and financial co-operation to the TRIPS Council used the Diagnostic Toolkit with either direct ICTSD assistance or by using the methodology on their own, thereby ensuring national leadership and ownership. Today, ICTSD continues work in this area and is currently assisting Nepal with its IP needs assessments.

In the WTO *Aid for Trade At A Glance Report 2011*, ICTSD's work on providing IP technical assistance to LDCs is highlighted in the section on improving capacities to implement intellectual property rights. It was also lauded in the 2011 External WIPO Technical Assistance Review.

ICTSD's Diagnostic Toolkit assisted directly or indirectly five LDCs – namely Sierra Leone, Uganda, Rwanda, Bangladesh and Tanzania – with submitting their IP needs assessments to the WTO TRIPS Council.



“

**ICTSD'S DIAGNOSTIC TOOLKIT
ASSISTED LDCS WITH SUBMITTING
THEIR IP NEEDS ASSESSMENTS
TO THE WTO.”**

SUPPORTING THE SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

Against a trend of increasing uncertainty in the prices and supplies of key natural resources, countries are seeking ways to move their economies onto greener and more sustainable foundations, while vigorously pursuing development, equity and poverty reduction goals. Meanwhile, the consumptive pressures of the developed world and a rapidly growing middle class in many developing countries require solutions to ensure sustainability.

Looking ahead to future trade patterns, it is clear that countries will increasingly need to respond to scarcity and volatility across a variety of key resources, from energy to land and water to food and minerals. The management of our global natural resource base is, and will continue to be, influenced by international agreements, government regulation and global markets and value-chains shaped by private sector actors. Environmental externalities associated with production and consumption are also influential here. It is in this new context that ICTSD is taking on a leadership role, helping to forge new partnerships and policies across global markets and value-chains that support the sustainable management of natural resources, including a radical shift towards resource efficiency.

HARNESSING TRADE TO CREATE A ROBUST AND SOLUTIONS-ORIENTED POST-2015 DEVELOPMENT FRAMEWORK

Trade tools must be used wisely to ensure sustainable and equitable prosperity for all. Effectively harnessing trade into the post-2015 development framework will be key to its success.

The expiration of the Millennium Development Goals (MDGs) in 2015 is rapidly approaching. UN Secretary-General Ban Ki-moon has established a “High-level Panel of Eminent Persons on the Post-2015 Framework,” with the mandate to outline a new vision for a sustainable future and global development beyond 2015. The eventual framework will aim to integrate both new post-MDGs objectives, as well as a new set of Sustainable Development Goals (SDG) envisaged in June 2012 at the Rio+20 Summit.

While the exact list of these goals still needs to be defined, there is no doubt that trade and investment – more than any other international support measure – will play a decisive role in achieving the future SDGs. This is not new. In fact, much of the progress achieved under the current MDGs, such as significant advancements in reducing the number of people in extreme poverty, can largely be attributed to emerging economies’ strong trade performance, particularly before the global financial crisis.

Therefore, a critical piece of the equation is ensuring that frameworks and trade policies effectively contribute to the achievement of SDGs.

As countries design the post-2015 framework, a solid and evidence-based understanding of how trade and trade-related policies can be part of the solution needs to be integrated at an early stage of the process. In order to contribute to setting robust SDGs, ICTSD is involved, with key partners, in articulating a broad conceptual approach for their definition and establishment, which emphasizes the intertwining of the environmental, social and economic dimensions intrinsic to sustainability. This work builds on resource-specific themes related to global economic activity, tracing sustainability across the value chain. The outcome will provide examples of key resource issues – such as water – and clear and measurable targets that can be applied in the SDG context.

ICTSD understands the pressing need for innovative solutions to sustainable resource management across borders and value-chains. Global production, consumption and trade patterns founded on these premises can deliver equitable growth and poverty-reduction solutions.

THE ICTSD TRADE AND SUSTAINABLE DEVELOPMENT SYMPOSIUM AT RIO+20

The major, international gathering in 2012 – the UN Conference on Sustainable Development (UNCSD, or Rio+20) – presented a unique opportunity for reflection and stocktaking of the development path we are on, and launched several follow-up processes, including for a set of future sustainable development goals.

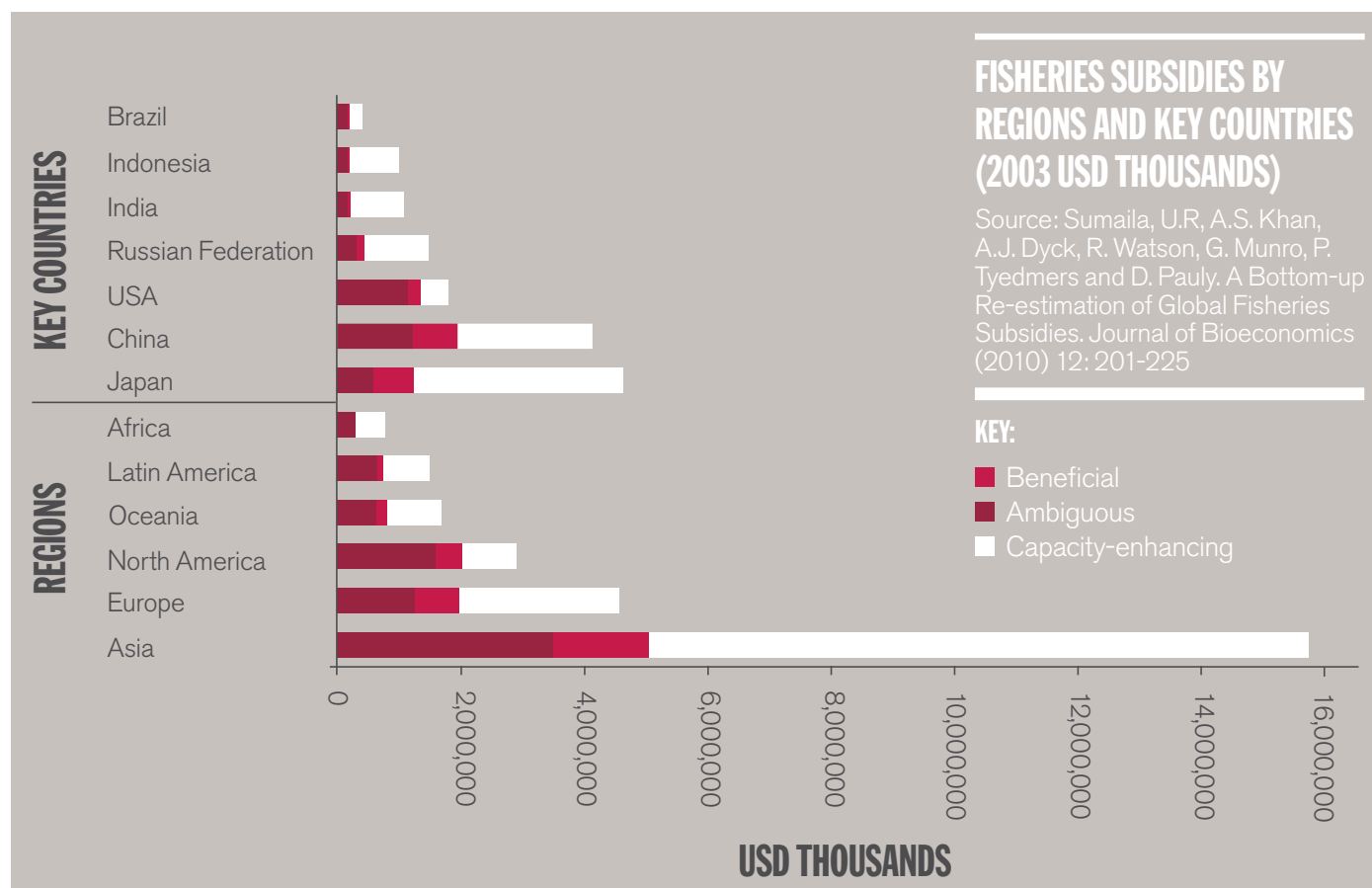
ICTSD was actively present in Rio, most notably for organizing a future-oriented Trade and Sustainable Development Symposium together with Centro Brasileiro de Relações Internacionais (CEBRI). The discussions that ensued helped develop and crystallize priority work streams supportive of a sustainable management of natural resources and environmental

externalities in a deeply globalized economy across issue areas. The Symposium, which drew more than 120 participants from governments, academia, civil society, IGOs, the private sector and media, focused on six distinct panels. These panels were hosted or co-hosted by ICTSD's partners, including the Centre for Sustainable Development Law, the Global Subsidies Initiative, the International Institute for Sustainable Development, Institute for Sustainable Development and International Relations, the International Trade Centre, Latin America Trade Network, Swedish Standards Institute, UN Environment Programme and the TckTckTck Campaign. Together, they covered the full spectrum of topical issues related to trade, environment and natural resources. The Symposium gathered a wide range of stakeholders, allowing for multiple perspectives and voices on the way forward towards the post-2015 framework.

TRADE AND SUSTAINABLE DEVELOPMENT SYMPOSIUM: THE THEMES

- Trade and sustainable natural resource management
- Sustainable energy trade initiatives
- Innovation and green technology diffusion
- Subsidy reform for sustainability
- Trade opportunities in a green economy transition
- Trade in certified sustainable products

For further information about the Symposium: <http://ictsd.org/rioplus20/>



FROM OVEREXPLOITATION OF GLOBAL FISHERIES TO SUSTAINABILITY THROUGH SUBSIDY REFORM

Fisheries hold tremendous potential to support sustainable prosperity for millions across the globe. However, due to current unsustainable management, that potential is far from being reached, and the resource base itself is at risk. Shifts to the current governance framework could unleash positive opportunities for developing countries to grow sustainably, including through new and higher-value exports.

Fisheries provide livelihoods to vast numbers of people and are a cornerstone of food security in developing countries. According to the FAO, some 45 million people were directly engaged in capture fisheries or in aquaculture in 2008, with more than 90% of them located in developing countries. Fish and fishery products are also highly traded. For developing countries as a whole, fish exports largely exceed those of several other agricultural commodities such as rice, meat, sugar, coffee and tobacco.

At the same time, 80% of the world's fisheries are being fished up to or beyond their biological limits, a situation that carries significant social, environmental and economic risks. Many developing countries face depleted fish stocks, causing severe disruption of coastal economies and loss of livelihoods. In spite of that, the size of the global fishing fleet continues to grow, while catches per vessel and per unit of capacity are continually decreasing.

Capacity-enhancing subsidies are a major part of the problem. In contrast, “good” subsidies include those targeting fisheries management systems or retraining supporting fisher people affected by reform. (Sumaila et al estimate that global fisheries subsidies in 2003 were between USD 25 billion and USD 29 billion.)

Source: <http://ictsd.org/downloads/2012/06/tackling-perverse-subsidies-in-agriculture-fisheries-and-energy.pdf>

The WTO Doha Round, launched in 2001, addressed fishery subsidies. Although the Round has stalled, the progress achieved provides a basis for international agreement. In this context, ICTSD serves as a key broker, working through a multi-stakeholder process to identify and pioneer options for moving forward. This includes trying to reach a plurilateral agreement among key countries within (or outside) the WTO; breaking-up the negotiations outside of the WTO into smaller packages to be tackled at different levels; and/or addressing fisheries in bilateral or free trade agreements.

To reach consensus on these solutions and move beyond the deadlock, ICTSD facilitates informal discussions among leading players and proposes new and innovative approaches. In one of its recent initiatives, ICTSD highlighted the pressing need for subsidy reform at the Rio+20 conference, where it was at the top of the agenda for NGOs. The Centre organized and participated in events focusing on opportunities presented by subsidy reform – not only in the fisheries sector, but also in the agricultural and energy sectors. ICTSD also published a new report, *Tackling Perverse Subsidies in Agriculture, Fisheries and Energy*, which included up-to-date figures and information on scale, scope and relevance as well as the political manoeuvring space.

Link to the paper on ‘Tackling Perverse Subsidies in Agriculture, Fisheries and Energy,’ <http://ictsd.org/i/publications/135518/>



45 MILLION PEOPLE WERE DIRECTLY ENGAGED IN CAPTURE FISHERIES OR IN AQUACULTURE IN 2008, WITH MORE THAN 90% OF THEM LOCATED IN DEVELOPING COUNTRIES.”

HARNESSING TRADE TOOLS TO ENHANCE SUSTAINABILITY OF GLOBAL FISHERIES

ICTSD has identified the development dimension of fisheries trade as key to future sustainability of the sector, in tandem with subsidy reform. The Centre has worked to identify and generate traction around these issues for future work, focusing on enhancing traceability, sustainable aquaculture and developing country capacity.


Traceability in fisheries is lacking and illegal, unregulated and unreported fishing is rampant. Thus, traceability systems across borders, including monitoring and labelling, need improvement. In addition, consumer demand is growing for fish labelled as sustainable, whether wild capture or aquaculture-based.

While many wild capture fisheries are stagnant or in decline, aquaculture – which is largely taking place in developing countries – is growing rapidly. Though this has led to new opportunities for food security and exports, there have also been significant problems related to local pollution or overexploitation of wild-capture fisheries as feed. Many view this as “outsourcing” environmental problems from developed to developing countries through trade.

Additionally, many developing countries lack the capacity to fully exploit their fisheries due to low levels of

infrastructure (leading to high degrees of spoilage), inability to meet official SPS standards as well as sustainability or traceability standards or requirements. Moreover, significant opportunities exist if they move up the value-chain and, in some cases, overcome tariff escalation. Aid for Trade is only one of many financing tools that thus far has been underutilized in the transition to more sustainable management and exports in the fisheries sector.

In this context, ICTSD has set an ambitious agenda to enhance the sustainability of existing and emerging trade flows through engaging trade policymakers, development groups, artisanal fishery associations, environmental NGOs and the private sector in the pursuit of new and innovative solutions as well as concrete measures implementable on the ground.



**“SAVING THE
OCEANS IS
POSSIBLE
IN OUR
LIFETIMES.”**

Oceana





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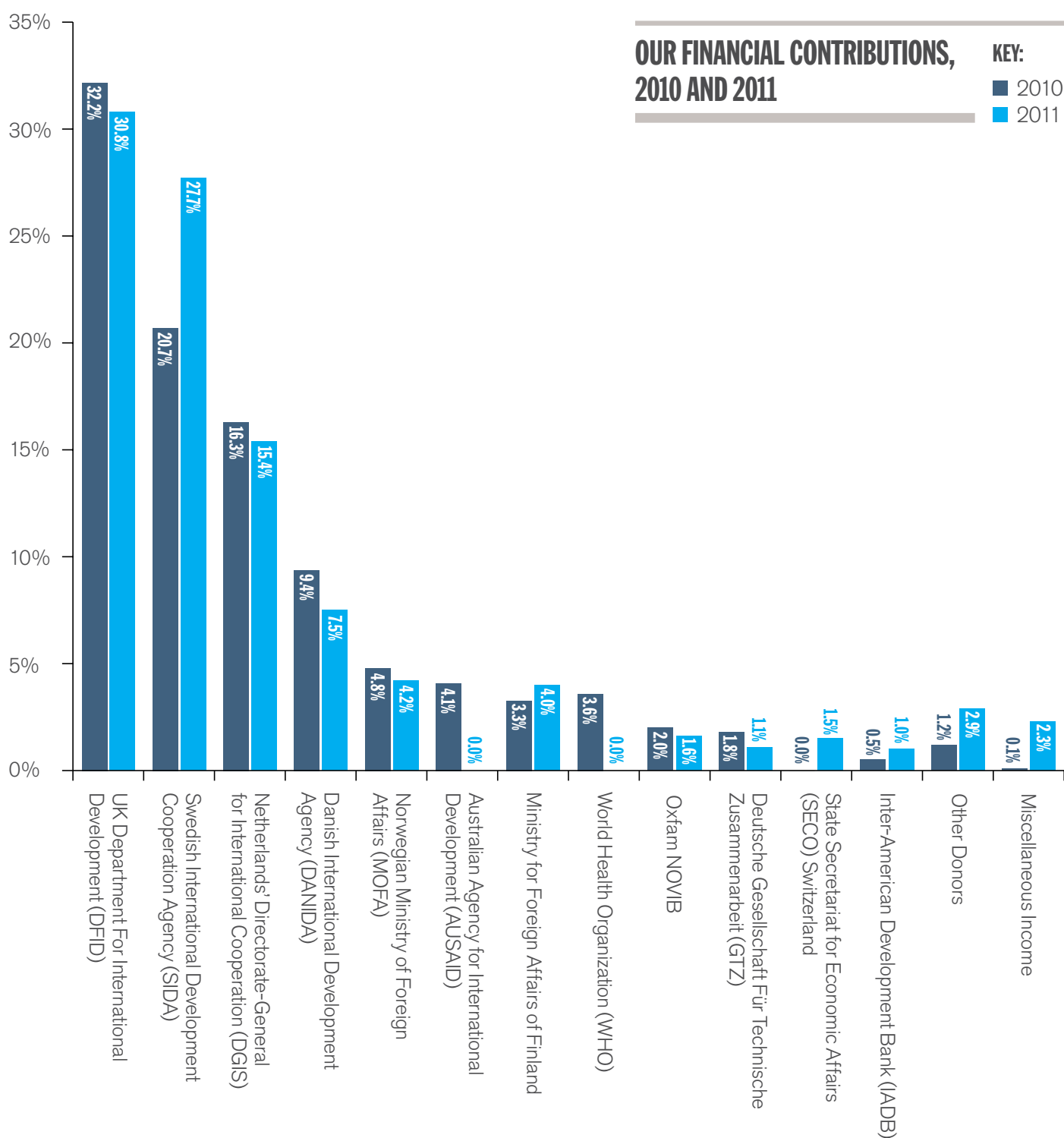
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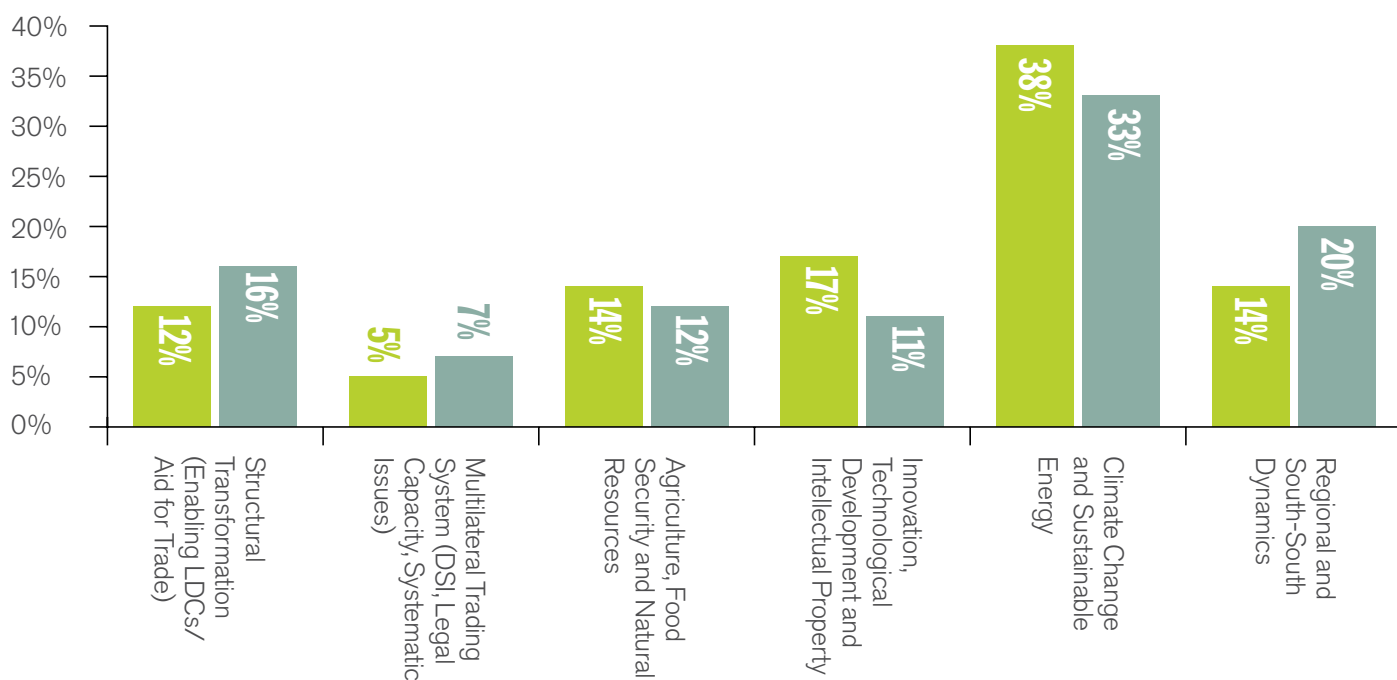
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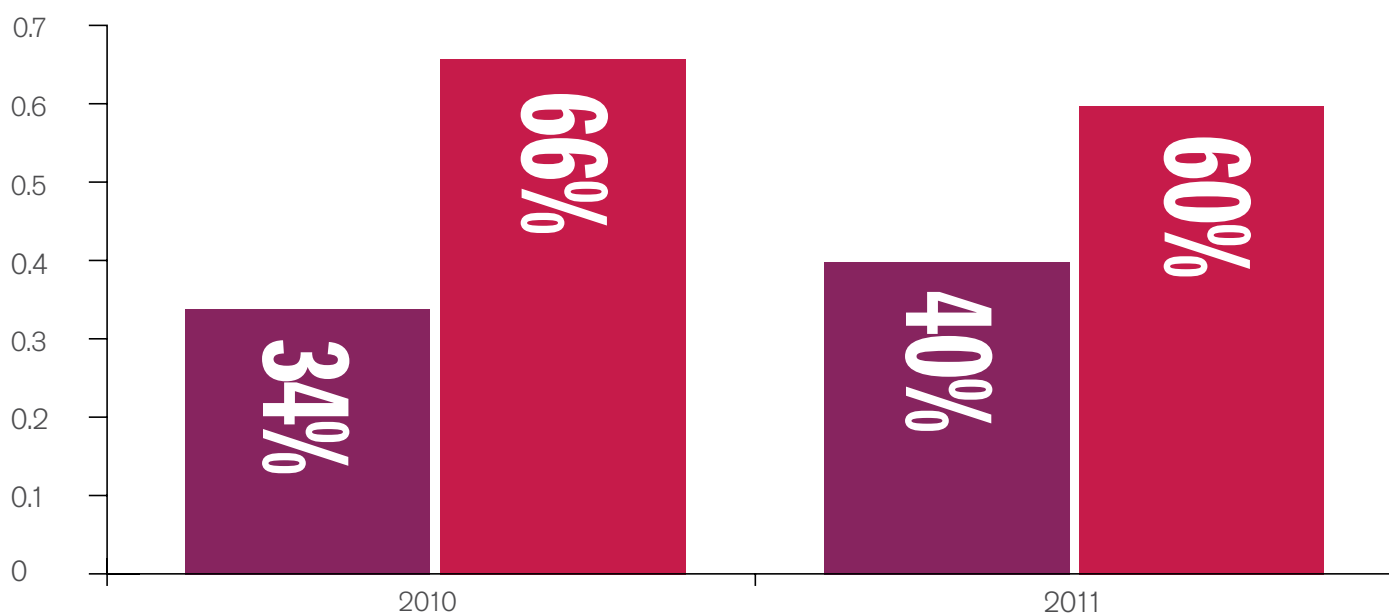
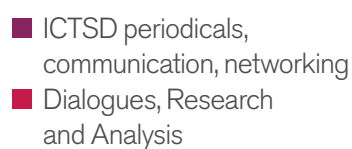
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Since 1996, the Centre has also been granted accreditation by the World Trade Organization (WTO) to participate in all its Ministerial Conferences and other ad hoc activities. ICTSD is further accredited to the Convention on Biodiversity (CBD), the Convention on International Trade in Endangered

Species (CITES), and the UN Framework Convention on Climate Change (UNFCCC). Since July 2005, ICTSD has been an accredited member of the Governing Council of United Nations Environment Programme (UNEP).

In addition to the ICTSD institutional engagement in global governance and programmatic initiatives led by others, ICTSD is also involved through its senior staff in governing and advisory boards such as: the World Economic Forum's Global Agenda Councils; the Meridian Institute (US); Intellectual Property Watch (Switzerland); the Panel of Experts for the Trade and Sustainable Development Chapter of the EU-Korea Free Trade Agreement; the Evian Group@IMD (Switzerland); the State of Sustainability Initiatives; the Global Social Observatory; CUTS International, Geneva; the Trade Policy Training Centre in Africa (TRAPCA, Tanzania).

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