



Thinking Ahead on International Trade (TAIT)
2nd Conference

Programme

**Climate Change, Trade and Competitiveness:
Issues for the WTO**

A business-government-academic conference

16th, 17th and 18th June, 2010

organised by

**Centre for Trade and Economic Integration (CTEI) at the Graduate
Institute of International and Development Studies, Geneva**

in collaboration with the

**Economic Research and Statistics Division of the Secretariat of the
World Trade Organization**

and

The World Bank

to be held at the headquarters of the

World Trade Organization
154, rue de Lausanne
Geneva, Switzerland, Room CR

Conference Background & Goals

Absent near-term agreement on globally binding emission targets in the wake of Copenhagen, nations will rely increasingly on nationally determined climate policies. As these policies vary in stringency, governments are likely to face political pressures to “level the playing field” – particularly in energy-intensive industries open to international competition.

This pressure has already produced industry support in a number of nations (e.g. free allowances of carbon permits) and could lead to the introduction of climate-related subsidies and tariffs in some nations. Such competitiveness-linked policies can distort trade – a fact that brings them into potential conflict with the WTO rulebook on subsidies and new tariffs. Consequently, ‘climate-related tariffs and subsidies’ may pose challenges to the world trading system.

While the WTO has long experience in addressing such disputes, this experience typically concerns issues involving narrow economic sectors, or a narrow range of policies. Trade and climate conflicts would be different.

To the extent that climate policies are widely viewed as national imperatives, any WTO dispute-resolution decisions on trade and climate would engage a broad set of politically influential actors. Unless governments find political accommodation on the relationship between trade-related policies and climate policies, this could pose risks to the WTO, forcing nations to choose between respecting the WTO rulebook, on one hand, and maintaining political support for climate policies, on the other.

As world trade in goods, services, food, technology and energy will be decisive to global climate adaptation and mitigation, it is vital that governments do not allow climate-related trade conflicts to undermine support for the rules-based system.

The goals of this conference are to:

- Marshal the best available research on all the aspects of the problem (economics, legal, political and practical);
- Outline all the main categories of solutions;
- Foster a thorough discussion of the options by scholars and stakeholders.



Wednesday 16 June 2010

REGISTRATION AND NETWORKING COFFEE	8:30-10:00
Welcome and opening remarks WTO leadership and organisers	10:00-10:30
Round Table 1: The impact of climate change on trade patterns	10:30-12:30
<p>Background paper by Dominique van der Mensbrugge, World Bank</p> <p>Chair: Ricardo Meléndez-Ortiz, ICTSD</p> <p>Discussants:</p> <p>H.E. Mr. Debapriya Bhattacharya, Former Ambassador from BDG; Special Adviser on LDCs, Office of the Secretary-General, UNCTAD</p> <p>Stephen Karingi, UN Economic Commission for Africa</p> <p>Jaime de Melo, Professor of Economics, University of Geneva</p>	
LUNCH (OWN ARRANGEMENTS)	12:30-14:00
Round Table 2: Climate linked policies, trade, and development	14:00-16:00
<p>Background paper by Muthukumara Mani, World Bank</p> <p>Chair: Joost Pauwelyn, Professor, Graduate Institute, Geneva, and Co-Director, Centre for Trade and Economic Integration</p> <p>Discussants:</p> <p>H.E. Mr Darlington Mwape, Permanent Representative of Zambia to the WTO</p> <p>William Cline, Peterson Institute for International Economics</p> <p>Jean-Pierre Lehmann, Professor of International Political Economy, International Institute for Management Development (IMD)</p>	
BREAK	16:00-16:15
Round Table 3: Climate-linked tariffs and subsidies: Eco-legal interface	16:15-18:15
<p>Background paper by Patrick Low, WTO, Gabrielle Marceau, WTO and Julia Reinaud, ClimateWorks Foundation</p> <p>Chair: Vesile Kulaçoğlu, Director of Trade and Environment Division, WTO</p> <p>Discussants:</p> <p>H.E. Mr Fernando de Mateo, Permanent Representative of Mexico to the WTO</p> <p>Carsten Dannöhl, Senior Adviser International Relations, Business Europe</p> <p>Steve Charnovitz, George Washington University</p>	
Keynote Speech	18:30-19:30
<p>James Bacchus, Former chair of the Appellate Body; Former member of the U.S. House of Representatives; International Chamber of Commerce</p>	
RECEPTION	19:30 onwards



Thursday 17 June 2010

Morning Session

Round Table 4: Calculation of carbon content – practical issues

9:00-10:30

Background paper by **Thomas F. Rutherford**, ETH Zurich

Chair: **Richard Newfarmer**, World Bank's Special Representative to the United Nations and World Trade Organization

Discussants:

Daniel Gros, Director, Centre for European Policy Studies (CEPS)

John Gault, Geneva Centre for Security Policy

Ronald Steenblik, Senior Trade Policy Analyst, OECD

COFFEE

10:30-10:45

Round Table 5: Climate-linked tariffs and subsidies: Economics aspects (competitiveness & leakage)

10:45-12:45

Background paper by **Peter Wooders** and **Aaron Cosbey**, International Institute for Sustainable Development

Chair: **Otaviano Canuto**, Vice President for Poverty Reduction and Economic Management, World Bank

Discussants:

Ludivine Tamiotti, Legal Affairs Officer, World Trade Organization

Reinhart Quick, Director, German Chemical Industry Association (VCI) Liaison Office in Brussels

Robert Bouzas, Universidad de San Andrés-CONICET, Argentina

LUNCH (OWN ARRANGEMENTS)

12:45-14:15

Thursday 17 June 2010

Afternoon Session

Round Table 6: Lessons from other International Environmental Agreements

14:15-16:15

Background paper by **Scott Barrett**, Professor of Natural Resource Economics, Columbia University

Chair: **Susanne Dröge**, German Institute for International and Security Affairs

Discussants:

Naoko Munakata, Consulting Fellow, Research Institute of Economy, Trade and Industry and Director, Policy Planning, Multilateral Trade System Department, Ministry of Economy, Trade and Industry, Japan.

James Bacchus, Former chair of the Appellate Body; Former member of the U.S. House of Representatives; International Chamber of Commerce

Biswajit Dhar, Director General, Research and Information System for Developing Countries (RIS), New Delhi

BREAK

16:15-16:30

Round Table 7: Climate-linked tariffs and subsidies: Possible solutions (Moderated Discussion)

16:30-18:30

Background paper by **Gary Hufbauer**, Senior Fellow and **Jisun Kim** Research Analyst, Peterson Institute for International Economics

Chair: **Richard Baldwin**, Professor, Graduate Institute, Geneva, and Co-Director, Centre for Trade and Economic Integration

Panel discussion:

Marie-Gabrielle Ineichen-Fleisch, Ambassador, Delegate of the Federal Council for Trade Agreements, Member of the Executive Board of SECO, Head of World Trade, State Secretariat for Economic Affairs (SECO)

Vincent Mages, Climate Change Initiatives Director, Lafarge

Ivan Mbirimi, South African Institute for International Affairs

Patrick Messerlin, Professor, Institut d'Etudes Politiques de Paris

End of Second Day

18:30



Conference Programme

Friday, 18th June 2010

Report to the final segment from the conference:	9:15-10:00
Patrick Low , Director of Economic Research and Statistics, WTO	
Round Table 8: Open Debate	10:00-12:30
Chair: Pascal Lamy , Director-General, WTO	
H.E. Mr Mario Matus , Ambassador, Permanent Representative of Chile to the WTO	
H.E. Mr Sun Zhenyu , Ambassador, Permanent Representative of China to the WTO	
Ignacio Garcia Bercero , Director of DG Trade's Directorate on Sustainable Development, Bilateral Trade Relations, European Commission	
Minister Detlev Brauns , Alternate Permanent Representative of Germany to the WTO	
H.E. Mr Ujal Singh Bhatia , Ambassador, Permanent Representative of India to the WTO	
Fareed Al Asaly , International Policies Senior Advisor, Kingdom of Saudi Arabia	
H.E. Mr Faizel Ismail , Ambassador, Permanent Representative of South Africa to the WTO	
Timothy J. Keeler , Counsel, Mayer Brown, and former Chief of Staff in the Office of the US Trade Representative	
Wrap up and closing remarks	12:30-13:00

World Trade Organization

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. It provides a framework for negotiating and formalising trade agreements, and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements. The goal is to help producers of goods and services, exporters, and importers conduct their business. The WTO has 153 members, representing more than 95% of total world trade; and 30 observers.

The Graduate Institute, Geneva

The Graduate Institute of International and Development Studies is an institution of higher education and research dedicated to the cross-cutting disciplines of international relations and development studies. The Institute, keen to draw on the synergies offered by its two fields of specialisation, offers independent and rigorous analyses of current and emerging global issues with a view to promoting international cooperation and making a contribution to the development of less fortunate societies. This small and selective institution that owes its reputation to: the quality of its cosmopolitan faculty, the strength of its core disciplines (Economics, History, Law, Political Science and Development Studies), its policy-relevant approach to international affairs, and its bilingual English-French education programmes.

Centre for Trade and Economic Integration (CTEI)

The Centre for Trade and Economic Integration fosters world-class multidisciplinary scholarship aimed at developing solutions to problems facing the international trade system and economic integration more generally. It works in association with public sector and private sector actors, giving special prominence to Geneva-based International Organisations such as the WTO and UNCTAD. The Centre also bridges gaps between the scholarly and policymaking communities through outreach and training activities in Geneva.

Its goal is to provide an innovative research basis for solutions that address the medium-term challenges facing the world trade system broadly defined and economic integration more generally. In doing so, it aspires to make the Graduate Institute a global hub for the study of trade and economic integration policy issues. For further information on CTEI projects and forthcoming events, please visit www.graduateinstitute.ch/ctei

The World Bank

The World Bank is supporting this conference together with the Global Trade and Financial Architecture Project (GTFA), an initiative sponsored by the UK Department for International Development (DFID). The World Bank Group provides policy advice, technical assistance and financial resources to developing countries in support of their development objectives. It is a leading provider of "aid for trade" resources, both to low-income countries with concessional finance and to middle income countries. Its private sector arm, the International Finance Corporation, makes investments in private activities that expand the market. Since the beginning of the global crisis in July 2008, the Bank has increased its financing to more than \$100 billion to developing countries. Hosted by the World Bank, the GTFA is piloted by a Steering Committee of leading researchers and policy makers, and co-chaired by Ernesto Zedillo, Yale Center for the Study of Globalization, and Patrick Messerlin, Groupe d'Economie Mondiale de SciencesPo. Building on the findings of the report of the UN Millennium Taskforce on Trade and Development, the GTFA's objective is to identify and promote concrete policy options for reinvigorating and strengthening the multilateral economic systems and institutions that have supported the process of globalization since the Second World War. Its focus is on making the globalization process more sustainable and inclusive.

Conference Organising Committee

Richard Baldwin, Professor, Graduate Institute, Geneva, and Co-Director, Centre for Trade and Economic Integration

Theresa Carpenter, Executive Director, Centre for Trade and Economic Integration, Graduate Institute of International and Development Studies

Patrick Low, Director, Economic Research and Statistics Division, WTO, and Adjunct Professor, Graduate Institute of International and Development Studies, Geneva

Richard Newfarmer, World Bank Special Representative to the UN and the WTO

Sponsors



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Thinking Ahead on International Trade (TAIT)

The Thinking Ahead on International Trade (TAIT) programme, run by the Centre for Trade and Economic Integration (CTEI) at the Graduate Institute, Geneva, is a 4-year research programme devoted to the analyses of medium-term challenges facing the international trade system in general and the WTO in particular. While founded on scholarship, the analysis is undertaken in association with public and business sector actors. The working method seeks advice and input from the public sector (policymakers, diplomats, international civil servants, and government officials) and the private sector in all matters but especially when it comes to gathering views, prioritising issues and developing action plans to address the challenges identified.