



First meeting of the E15 Task Force on
Rethinking International Subsidies Disciplines
11-12 November 2014 – Geneva, Switzerland

Agenda

BY INVITATION ONLY

11 November - Morning Session

9:00 – 9:30

The E15 Task Force on International Subsidies Disciplines – Process and purpose

- Cristian RODRIGUEZ CHIFFELLE (World Economic Forum): Welcoming Remarks
- Andrew CROSBY (ICTSD): About the E15 Initiative
- Christophe BELLMANN (ICTSD): Task Force Objectives and Process
- Gary HORLICK (Law Offices of Gary N. Horlick): Why Rethink International Subsidies Disciplines?

9:30 – 10:00

Session I: Subsidies, Global Value Chains and Industrial Policies

Chair: Gary HORLICK (Law Offices of Gary N. Horlick)

- Resource person: Mark WU (Harvard University)

This session will assess the rationale for different types of government interventions in light of the evolving global trading environment, including the emergence of highly fragmented production networks, the growing share of trade in intermediate goods and the trend towards “servicification” of trade. In doing so, the session will review government responses to this new reality and particularly the extent to which countries have used various kinds of policy tools to address new types of market failures, generate dynamic comparative advantage, acquire larger shares in global value chains, or move up into higher-value-added segments, while protecting infant industries and import competing sectors. Based on this assessment, the session will discuss the extent to which current disciplines are adequate or need to be adjusted to reflect today’s global trade reality.

10:00 – 11:00

Open discussion

11:00 – 11:30

Coffee and tea

11:30 – 12:00

Session II: Subsidies, Clean Energy and Climate Change

Chair: Gary HORLICK (Law Offices of Gary N. Horlick)

- Resource persons: Ilaria ESPA (World Trade Institute) and Sonia ROLLAND (Northeastern University School of Law)

This session will assess the rationale for different types of government interventions such as subsidies or trade remedies in the energy sector including renewable energy and traditional fossil fuels. In doing so, the discussion will focus on both the trade-distorting effects and the environmental externalities resulting from such interventions and assess the extent to which stronger disciplines might be required, in light of recent government practices. The session will also identify instances in which government interventions might be justified or desirable in order to address particular market failures or ensure the delivery of public goods. Based on this, participants will discuss whether there is a need for exceptions to existing disciplines and if yes, how to circumscribe them to avoid unnecessary trade distortions. Finally, the session will review the extent to which governments’ recourse to trade remedies in the clean-energy sector has revealed significant problems in current disciplines, and identify options to

ensure that such practices only target truly anti-competitive behaviour and do not result in suboptimal environmental outcomes.

12:00 – 13:00 **Open discussion**

13:00 – 14:00 **Lunch**

11 November - Afternoon Session

14:00 – 14:30 **Session III: Fisheries Subsidies**

Chair: Christophe BELLMANN (ICTSD)

- Resource person: Alice TIPPING (ICTSD)
- Discussant: Sadeq BIGDELI (University of Waikato)

This session will take a “clean sheet of paper” approach to possible disciplines on fisheries subsidies. It will assess the rationale for different types of government interventions aimed at reducing fishing costs, supporting income, enhancing stocks management or constraining fishing efforts. In doing so, participants will discuss the potential trade-distorting impacts of such interventions, and their likely effects on fish stocks. Based on this assessment, participants will then discuss possible options to strengthen existing disciplines, while identifying instances in which government interventions might be justified or desirable in order to address particular market failures or ensure the delivery of public goods. Based on this, participants will discuss whether there is a need for carve outs from proposed enhanced disciplines and, if there is a need, how to circumscribe them to avoid unnecessary trade distortions or negative effects on stocks.

14:30 – 15:30 **Open discussion**

15:30 – 16:00 Coffee and tea

16:00 – 16:15 **Session IV: Agricultural Subsidies**

Chair: Christophe BELLMANN (ICTSD)

- Resource person: Tim JOSLING (Stanford University)

This session will focus on the future of disciplines on agricultural support, currently governed by both the WTO Agreement on Agriculture (AoA) and the Agreement on Subsidies and Countervailing Measures (ASCM). It will review recent trends in the use of domestic support and export subsidies by both developed and emerging economies as well as evolving domestic policy reforms (e.g. EU CAP, US Farm Bill). In the light of this, participants will discuss both medium and longer term options to improve the architecture and the scope of existing disciplines on agriculture subsidies, making a distinction between measures aimed at supporting production, prices or income and those aimed at correcting market failures and delivering public goods.

16:15 – 17:00 **Open discussion**

17:00 – 17:30 **Session V: Politics, Law and Economics of Subsidy Reform**

Chair: Gary HORLICK (Law Offices of Gary N. Horlick)

- Resource person: Alan SYKES (New York University) through video conference

This session will look at the main obstacles to subsidy reform from a political, legal and economic perspective. Can subsidies be disciplined in practice and if they can, should they? What should be the coverage of such disciplines and what should be excluded? Are there “good subsidies” for which appropriate carve outs should be crafted? If so, what should be the best approach to reform (e.g. general disciplines vs. sectoral approaches, new annex to the ASCM, GATT article XX type of approach,

interpretations?). Who would apply the disciplines and how? Beyond multilateral disciplines by governments, should other fora be explored?

17:30 – 18:30 **Open Discussion**

19:30 **Dinner**

12 November - Morning Session

9:00 – 9:30 **Sessions VI: Rethinking Trade Remedies against Actionable Subsidies**

Chair: Christophe BELLMANN (ICTSD)

- Resource person: Peggy CLARKE (Law Offices of Peggy Clarke)

This session will assess the implications for the use of trade remedies of recent developments in the global trade landscape, including the emergence of highly fragmented production networks, and the growing share of trade in intermediate goods. It will then review recent WTO disputes on subsidies and government practices in using trade remedies in various sectors, assessing the extent to which such practices have revealed significant problems under current disciplines. Finally, participants will examine non-WTO disciplines dealing with trade remedies, including relevant provisions in bilateral and regional free trade agreements, identifying possible lessons for the multilateral trading system.

9:30 – 10:30 **Open Discussion**

10:30 – 11:00 Coffee and tea

11:00 – 11:30 **Session VII: Soft Law Disciplines on Subsidies**

Chair: Gary HORLICK (Law Offices of Gary N. Horlick)

- Resource persons: Gregory SHAFFER (University of California) and Robert WOLFE (Queen's University)

This session will assess existing provisions on transparency, notification and monitoring and the extent to which government practices in complying – or not – with such provisions have revealed significant loopholes under current disciplines. Based on this, the session will explore possible new mechanisms such as good offices, enhanced trade policy review mechanisms and other schemes to improve international cooperation. Beyond existing multilateral disciplines, participants will also review non-WTO soft law initiatives in the area of subsidies including codes of conducts, best practices and any other relevant schemes for private-sector actors or government, identifying possible lessons for future soft-law disciplines on subsidies. Finally, the session will discuss relevant non-governmental initiatives aimed at enhancing transparency, monitoring and evaluation of government policies and practices in providing state aid and various forms of subsidies.

11:30 – 12:30 **Open discussion**

12:30 – 13:00 **Next Steps**

Chair: Gary HORLICK (Law Offices of Gary N. Horlick)

This session will identify next steps in the task force process by defining an agenda for further work. In doing so, participants will focus on salient topics from the meeting's discussion and discuss how best to take them forward. In particular, experts should suggest areas where additional analytical inputs would be required to inform the E15 task force process and structure future debates among task force members on the possible need for reforms in international subsidies disciplines.

13:00 **Lunch**