

to start managing expectations for a modest outcome at Cancun to avoid a "train wreck" as happened at Seattle.

From this perspective, the main question that emerged is how to shift expectations from a conclusion at end-2004 to a wrap up in the 2006-2007 window when several developments (including expiry of the EU CAP extension and the US Farm Bill) create an opening for movement and the expiry of US Trade Promotion Authority (TPA) forces negotiators' hands.³

The counter view was that, although setting an early deadline for the completion of the Doha Round might have been an unfortunate decision, it is there now and must somehow be dealt with. Moreover, if the deadline were to slide to the 2006-2007 timeframe, it was argued, there is the risk that there might be a new US Farm Bill and a new EU CAP extension, pushing resolution of the agricultural issues off for the balance of the present decade. In other words, the world community should not miss this current window of opportunity, if at all possible.

The over-arching question is how the international economic and political context will affect the progress of the Round. Will the US-Europe political rift undermine their ability to exercise their customary joint leadership on trade? Or,

³ Editors' note: US TPA expires June 1st, 2005 but will be extended automatically until June 1st, 2007, if neither House of Congress adopts a resolution opposing extension (www.tpa.gov). The US Farm Bill of 2002, which increased overall budgetary assistance to farmers by \$180 billion from 2002 to 2012, is set to continue through 2007 (www.usda.gov/farmbill); all trade and aid programs were specifically reauthorized through 2007 (<http://www.ers.usda.gov/Features/farmbill/titles/titleIIItrade.htm>).

In the context of EU enlargement, the European Council agreed, 24-25 October 2002, on a farm finance package for an enlarged membership. According to the formal conclusions, the deal was "without prejudice to future decisions on the CAP and the financing of the European Union after 2006", and to the outcome of the CAP mid-term review and to the EU's international commitments in the Doha WTO Development Round." http://europa.eu.int/comm/enlargement/docs/newsletter/weekly_291002.htm
Bulgaria and Romania are expected to be joining other central European countries in acceding to the EU in 2007, requiring changes to the CAP program, affording a window of opportunity for more general reforms that could also then accommodate a WTO deal.