

IISD INVOLVEMENT IN THE HONG KONG TRADE & DEVELOPMENT SYMPOSIUM (HKTDS)

I.

HK Exhibition Centre • 16 December, 16.45-19.00, 2005

Trade, Aid and Security: Aiding, Trading or Abetting?

Trade and aid are two principal ways through which the developed world interacts with the developing world. The direction and priorities of trade and aid policies, decided in the north, have profound impacts on the societies, economies and stability of countries in the south. Trade and aid policies both reflect and reinforce global power disparities.

The globalization of weakly-governed markets for natural resources, coupled with the decline and occasional misuse of development assistance, and with the aggressive promotion of unbalanced trade and macroeconomic management rules, lead to conflict in a number of ways. This volatile mix can drive economic degradation, fuel tensions within and among countries, create a space for sub-state actors to enrich themselves through the perpetuation of conflict, and strain international and national mechanisms for keeping the peace.

It is increasingly clear that the rising tide of international trade in natural resources does not automatically reinforce stability. Nor is aid as currently constructed successfully achieving its aim of poverty alleviation. Our contention here is that failure on both fronts reflects an inadequate appreciation of the links between these policy spheres.

Our principal focus is to assess the various mechanisms, past, present and planned, that can be used to tackle the negative effects of unsatisfactory trade and aid policies on security. Rather than examine individual policy interventions in isolation (certification, trade sanctions etc) we have grouped the policy options in line with their ultimate objective (managing revenues, bringing about good governance etc). Conceptually we feel this helps to analyse where different mechanisms are mutually supportive – whether there are initiatives for donor or recipient governments. We aim to construct an integrated picture of the range of measures available to decision-makers to achieve the objective of sustainable, conflict-sensitive trade and aid policies.

We have commissioned the world's leading thinkers and academics to write detailed papers that analyse where domestic and international policies can achieve the 7 objectives

below. In Hong Kong, for the first time, we will present their analysis and recommendations on the policy measures necessary to achieve the following 7 objectives.

- 1/. Managing revenues from natural resources and aid
- 2/. Stabilising and diversifying natural resource revenues
- 3/. Building markets for conflict-free goods
- 4/. Changing the behaviour of market actors
- 5/. Using trade and aid policy to promote good governance
- 6/. Designing conflict-sensitive trade policy
- 7/. Constructing conflict-sensitive aid policy

Nicolas Lucas, the World Conservation Union (IUCN)/ World Resources Institute:
“Trade, Aid and Security – elements of a positive paradigm”

Mark Halle, European Director and head of trade programme, the International Institute for Sustainable Development (IISD):
“Options for policy makers”

Oli Brown, Project Manger, IISD:
“Trade and Aid policies for good governance: coercion or communication?”

Wrap up and launch of research, Mark Halle
Mark Halle will conclude the session with a brief overview of the key lessons of the initiative.

For more information, please contact Oli Brown, obrown@iisd.org

II.

HK Exhibition Centre • 16 December, 10.15-12.45, 2005

The Rush to Regionalism: Trade Integration’s impact on Peace and the Environment

The unmistakable signs of a rush to regionalism in trade agreements are all around us. It seems that hardly a week goes by without some pair or group of countries announcing their intention to negotiate a new agreement. This is in stark contrast to the state of affairs ten years ago, when NAFTA was the first North-South free trade agreement to be signed, and most of the South-South agreements existed in name only – grand hopes gradually gone flat.

The late 1990s saw an acceleration of the free trade agenda typified by the conclusion of numerous Regional Trade Agreements (RTAs) around the world. By late 2004 more than 230 RTAs had been notified to the World Trade Organisation. RTAs have become defining features of the modern international market economy and a powerful force for globalisation.

The example of the European Union as an economically successful trade agreement and peaceful political arrangement has much to offer the world. Other RTAs have the potential to build interdependence, economic incentives for peace and institutional mechanisms for dispute resolution. However, RTAs also run the risk of escalating tensions, increasing economic and political instability and hindering development. This session will briefly present the results of detailed research on the impact of RTAs on peace in four separate continents.

Trade agreements at the multilateral, regional and bilateral levels display a wide variety of approaches to environmental policy-making and regulation, environmental cooperation and the promotion of environmental integrity. There is considerable variation in the extent and manner in which environmental issues are dealt with in trade agreements, leading to a complex picture of global economic and environmental governance. This session will provide an overview of trends and developments at the regional and bilateral levels, and assess these in the context of the WTO framework, including the most recent developments in the ongoing negotiations.

The December Ministerial meeting of the WTO in Hong Kong is a crucial moment for the multilateral framework of trade regulation. There is a growing realization that intransigence amongst both developed and developing country trade negotiators may yet stall progress towards lowered tariff barriers and increased market access. If the talks do fail to produce substantive results then it is likely that renewed energy will be put towards regional trade integration as a more flexible way of pursuing other geo-political objectives. In short, the Regional Trade Agreement is likely to become a more, not less, common feature of the world economy. If so it is vital that their impacts be understood and the lessons of best practice can inform future RTA negotiations.

Dr Simon Tay (SIIA)/ Aaron Cosbey (IISD) –

A brief introduction to the recent and rapid increase in regional trade agreements and the implications for the multilateral trading system and sustainable development.

A short opportunity for audience participation and discussion

Regional Trade Agreements and the Environment

Marcos Orellana (CIEL) – The new landscape of international economic and environmental governance

Overview of approaches and trends to environmental protection in regional and bilateral trade agreements

Nathalie Bernasconi-Osterwalder (CIEL) – Assessing regional and bilateral developments in the global context

Cursory analysis of the interrelationship between environmental approaches under the WTO and trends at the regional and bilateral levels

Regional Trade Agreements and the Prospects for Peace

Shaheen Rafi Khan (SDPI)/ Oli Brown (IISD)

A short introduction of the links between RTAs and peace.

Hank Lim (SIIA) – Regional Trade Integration in East Asia

Analysis of the impact of regional trade integration on peace and conflict in East Asia.

Mzukisi Qobo (SAIIA) – Regional Trade Integration in Africa

Analysis of the impact of regional trade integration on peace and conflict in Africa.

Hernán Blanco Palma (RIDES) – Regional Trade Integration in Latin America

Analysis of the impact of regional trade integration on peace and conflict in Latin America.

Shaheen Rafi Khan (SDPI)

Analysis of the impact of regional trade integration on peace and conflict in South Asia.
(12mins)

For more information, please contact Oli Brown, obrown@iisd.org

III.

HK Exhibition Centre • 17 December, 16.45-19.00, 2005

**Trade Knowledge Network
Challenges of market access and compliance under WTO:
Case studies from South Asia**

Market access is a key concern for developing countries under the WTO regime. While in theory WTO ought to bring increased market access for developing countries, in reality tariff and non-tariff barriers still remain high for exports from the South. The situation is much for exports from South Asian countries.

One of the biggest hurdles in accessing Northern markets for South Asian economies is compliance with a slew of voluntary and mandatory standards imposed by the importing countries in the North. It is essential for South Asian economies, as it is for the rest of the developing world, to tackle issues of compliance, lest they risk losing Northern export markets.

This session will present five case studies from South Asia, which highlight problems of compliance in gaining market access for export products from key sectors.

In Nepal, difficulties faced by Nepalese agricultural exporters despite accession to the WTO are tackled. The study looks into the key barriers faced by Nepalese exporters and suggests ways in which exports could be enhanced while attempting to minimize such barriers. The study recommends that the policymakers as well as trade negotiators of Nepal need to strike a balance between demand side and supply side and segregate export destinations on the basis of types of barriers identified for each.

In India, the study looks at the seafood export sector and the problems of compliance faced by Indian exporters. The research addresses the means by which countries are trying to make fishing more sustainable. It also points out the International certifications available for a seafood exporting company to be certified as environmentally friendly and suggests whether obtaining such certification will result in improved market access for Indian exporters.

In Bangladesh, the research focuses on the major export sectors: readymade garments, knit ware, jute products, fish, hides and skins and tea. The aim is to understand the market access issue by using micro or firm level information in order to determine the practical barriers to trade for producers in Bangladesh. The study ranks the market access issues for SME exporters from Bangladesh to suggest policy changes in future rounds of negotiation to provide better prospects for expanding trade from Bangladesh to the North.

In Pakistan the potential impact of reduction in Northern agricultural subsidies is looked into. The research focuses on the domestic dimension of the problem and predicts that while reduction in Northern subsidies will open up new markets for Pakistan, large farmers are likely to gain most from the enhanced market access.

A case study of coastal fisheries in Pakistan highlights difficulties faced in complying with harvesting and processing standards. The study undertakes a supply chain analysis in the marine fisheries sector and looks at two links in this chain, namely compliance with international standards in the harvesting and processing stages. The analysis is driven by two concerns. First, failure to comply can adversely affect national exports. Second, the livelihoods of coastal fishing communities are at risk. In relation to processing, a number of fish consignments have been returned for non-compliance with health and cleanliness standards. Essentially, this raises issues of policy and capacity building. Sustainable harvesting standards are more difficult to comply with. This is because a large number of variables are involved.

Introduction to TKN by David Boyer

Moderator: Hernan Blanco, RIDES, Chile

Potential Impact on Southern Farmers of Reducing Northern Subsidies: Reflections From Pakistan by Shaheen Rafi Khan and Moeed Yusuf

Compliance Across the Supply Chain: Can it Be Done? - A Case Study of Pakistan's Coastal Fisheries by Shaheen Rafi Khan

Producer-Consumer Linkage: The Case of Indian Seafood Sector by Parashar Kulkarni

Market Access Barriers on Select Agricultural Exports of Nepal by Ratnakar Adhikari

Market Access Issues: EU-Bangladesh Trade Regimes A Case Study on Market Access - Myths and Realities, by Enamul Haque

Discussion and concluding remarks, Hernan Blanco/David Boyer

For more information, please contact Dave boyer, dboyer@iisd.ca

IV.

HK Exhibition Centre • 17 December, 14.15-16.30, 2005

Rethinking International Investment Law in the Era of Globalization: IISD's Model International Agreement on Investment for Sustainable Development

The session will provide an opportunity to present IISD's seminal work on international investment agreements to a broad international and multi-stakeholder audience. IISD's Model International Agreement for Sustainable Development was launched in April 2005 at the Commonwealth Headquarters in London, UK. It will be reprinted in a refereed journal later in 2005, and has formed the basis of multiple meetings between IISD Associates and representatives of developing and developed countries.

This session would provide a unique opportunity for dialogue on the Model Agreement in a multi-stakeholder, multi-national environment. In addition to a brief presentation of the Model Agreement, IISD has commitments from Marcos Orellana, a Chilean who is the investment specialist at the Centre for International Environmental Law, and Richard Newfarmer, senior World Bank economist, to be participants on a panel discussion of the text. When approval is received, IISD will approach representatives of a developing country organization to ensure a diverse and balanced panel discussion.

The main documents will be the IISD Model Agreement, negotiator's Handbook, available on the IISD website at www.iisd.or/investment. Bound copies will be made available on site.

The comments from the session will then feed into the ongoing review of the text of the Model Agreement, as well as inform IISD's direct advisory work with developing countries in this field.

Mark Halle, IISD Trade Director and European Representative, will chair the session. He will provide some general introductory comments on the origins of the Model Agreement, and its relevance in the context of multiple ongoing international investment agreement negotiations taking place today outside the WTO.

Howard Mann, Senior International Law Advisor to IISD and lead author of the Model Agreement, will illustrate the major changes that the Model Agreement would bring to current international investment rules and dispute settlement procedures.

Marcos Orellana, Senior Attorney focusing on investment at the Centre for International Environmental Law, and an advisor to civil society groups in Latin America on investment rules and arbitrations will provide comments from his perspective on the text of the Model Agreement.

A specialist in Asian sustainable development issues will provide additional perspective on the Model Agreement from a region that continues to place a high priority on economic integration into the global economy.

For more information, please contact Howard Mann, hmann@iisd.ca

V.

HK Exhibition Centre • 15 December, 10.15-12.45, 2005

**Processing and production methods (PPMs) and Fair Trade: Legal Challenges and Opportunities
to PPM Based Policy within the WTO**

Sustainable development implies effective management of processing and production methods (PPMs) in ways which ensure the efficient use of social, economic and environmental resources. One of the key issues facing the strategic implementation of sustainable PPMs at the global level is determining how to do so in ways which are practically and politically feasible in the absence of well established international governance structures. Fair Trade offers a symbolic example of how private sector mechanisms, through voluntary certification and labelling, can be leveraged to implement and monitor PPMs at the international level in ways which support and complement public policy for sustainable development.

The logical fit between voluntary approaches such as Fair Trade and public policy approaches to PPM management suggests a clear rationale for linking the two forces explicitly. To date, however, the systematic integration of such voluntary systems within international trade policy has been minimal. Notwithstanding the many political and practical problems facing the integration of voluntary PPM initiatives within public policy, the questionable legal status of such initiatives with respect to WTO treaty and case law has operated as one of the most persistent deterrents to the development and implementation of such policy approaches. In recognition of this, WTO members, under Article 32 of the Doha Declaration, have mandated the CTE to clarify issues related to the relationship between environmental measures/labeling requirements and the WTO. To the extent that the legal relationship between Fair Trade supportive or “PPM based policies” and the WTO remain uncertain, a clear case exists for proactive negotiations towards the clarification of appropriate relationships between government and voluntary PPM-based initiatives under the WTO.

This panel will explore the state of WTO law with respect to PPM based policy with a view to identifying specific strategies for addressing and overcoming the legal and practical challenges facing Fair Trade and related “supply chain oriented” PPM-based policy.

A presentation will be made by Jason Potts, IISD Coordinator of the Sustainable Commodity Initiative, a joint IISD/UNCTAD venture committed to identifying proactive market-based policies and related instruments for promoting sustainable development across different

commodities sectors. He is a lawyer by training with LLB and BCL degrees from McGill University and a specialization in trade law, sustainable development law and corporate social responsibility.

Ronald Steenblik, OECD Trade Directorate,

World Bank – TBC (to be confirmed)

For more information, please contact Jason Potts jpotts@iisd.ca

VI.

HK Exhibition Centre • 14 December, 10.15-12.45, 2005

Articulating Southern Priorities on Trade and Environment Book launch

10:15-10:30 Welcoming Remarks and Context
Ricardo Meléndez-Ortiz, ICTSD

10:30-10:50 Visions of trade and environment
Adil Najam, Tufts University

10:50-12:30 Southern perspectives on trade and environment

Presenters will explore selected issues that they feel are the central priorities for developing countries on trade and environment.

- Alejandro Nadal, El Colegio de México
- Joy Kim, UNU-IAS
- Simon Tay, Singapore Institute of International Affairs
- (if any of these can't make it, ask Taimoon Stewart and/or Yash Tandon)

Discussants will respond to these ideas and identify one or two concerns that they see as integral to the trade and environment debate in the South.

- Hernann Blanco, RIDES
- Beatrice Chaytor, Ministry of Trade, Sierra Leone
- (or Faloug Samb, or if Taimoon and/or Yash aren't used above include them here)

Discussion

12:30-12:45 Next Steps and Book Launch
Mark Halle, IISD

For more information. Please contact Heike Baumüller, hbaumuller@ictsd.ch