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### CIVIL SOCIETY AT WTO MINISTERIAL:

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#### A Special Bridges Report

### **EFFECTS OF TRADE ON THE ENVIRONMENT**

On 19 May, WWF International presented the methodology it is developing for assessing the environmental impacts of trade agreements. Participants agreed that the impacts were difficult to quantify, not least because in many instances the exact cause of an observable effect is hard to pinpoint. For instance, in developing countries experiencing negative effects due to agricultural liberalisation, is it the WTO Agreement on Agriculture that is responsible for those effects? Or World Bank structural adjustment policies, or IMF conditions for loans? Or autonomous domestic policies? A Filipino NGO representative pointed out that in his country, deregulation and privatisation started well before the WTO Agreement, causing farmers a dramatic drop in sugar and corn prices, threatening the livelihood of some 400,000 smallholders and leading to increasing conversion of land use from food production to export crops. Market-driven and export-oriented development policies have also put badly needed land-reform programmes on hold. Although impacts such as these are readily detectable, a WWF case study of the effects of trade liberalisation on the Philippine corn sector concludes that a reliable methodology is still lacking for measuring the economic, social and environmental costs of trade liberalisation. At the meeting, WWF tabled a draft proposal for environmental assessment of trade agreements which is available from them. Please see contact information below.

### **GENDER**

Bringing forward a joint message about the effects of trade liberalisation on women, several women's civil society organisations, campaigning groups and unions -- some of them members of the Informal Working Group on Gender and Trade (IWGGT) -- met often during the Ministerial. The IWGGT was formed at the first WTO Ministerial in Singapore in 1996, and is facilitated jointly by the International Coalition for Development Action and WIDE (Network Women In Development Europe). Women's caucus meetings every morning and several workshops highlighted the need for gender perspective analysis of WTO policies, as well as increased co-ordination of government, intergovernmental and civil society trade and gender work on all levels. The working group hosted a reception, released press statements and issued a Joint Declaration calling for further gender analysis of WTO structures and policies, as well as increased NGO North-South coalition- building on gender and trade issues. Several studies focusing on women's role and condition in trade were released by the participating organisations.

Please note that contact information for the workshop organisers is provided in a separate document of this issue of Bridges Weekly Trade Digest.

## **LABOUR**

Labour voices were loud and many at the WTO Ministerial NGO meetings from 18 to 20 May, 1998. Facilitated by SOLIDAR -- an alliance of NGOs with links to trade unions and social democratic parties -- and the International Confederation of Free Trade Unions (ICFTU), workers unions organised a preparatory session, workshops on labour standards and NGO- Labour alliances, daily briefings and press statements. They released a multilingual info-kit on workers rights and the WTO, and distributed reports on child labour and key ILO Conventions. The session on 'Labour Standards, Trade and Development' was attended by over 60 civil society representatives from more than 25 countries. Speakers included representatives of trade unions in Africa, Asia and Latin America. Their campaigns for a social clause in the WTO and for social provisions in the Multilateral Agreement on Investment rally around the message 'workers rights are human rights'. Speakers focused on the social impacts of trade liberalisation and unregulated capital speculation in Thailand, Peru, Burkina Faso and Zimbabwe, including worsening working conditions in export processing zones, protests and price increases in Asia, loss of rights to organise, bargain and be free from bondage or discrimination. The session on NGO-Trade Union cooperation and alliances built on grassroots, national and international cooperation among development and social welfare NGOs and workers unions. It was agreed that on trade and investment issues, increased co-ordination and campaign solidarity amongst natural allies in the majority world was urgently needed.

## **PUBLIC PARTICIPATION/GLOBAL GOVERNANCE/WTO PARLIAMENT**

A workshop convened by the Swiss Coalition of Development Organisations examined the initiative of establishing a WTO Parliament in the light of the trade body's increasing role as a 'focal point of global governance'. While participants agreed that a legislative structure along the lines of the European Parliament was a distant goal, they concluded that there was scope for approaching parliaments in several countries through national NGOs, with the aim eventually garnering government support for the concept. Contacting international associations of parliamentarians might offer another avenue. Short of a parliament with legislative powers, an interim goal might be to form a parliamentary group with just an advisory role. Some participants voiced concern over NGO representation if the WTO were to rely on the parliament only for interaction with civil society. Calling the project 'interesting but ambitious', a

government representative pointed out the difficulty of gathering the necessary resources to support the meetings and infrastructure needs of a dynamic parliament. One participant proposed that a 'cross-cutting' parliament could monitor other multilateral commitments besides the WTO.

During the Ministerial Meeting and the 50 Year Anniversary celebrations, many calls for increased interaction between the WTO and civil society were made by government and inter-governmental leaders ranging from President Clinton to Renato Ruggiero. On their side, NGOs held several meetings around the issue, resulting in a decision to develop a collective message on transparency in the WTO, to be forwarded to the General Council before it takes up the review of the WTO's document restriction policy on 18 July. Participating organisations will offer their input and disseminate the proposed message to their constituencies prior to finalising the text. (For participation in a proposed consultation process aimed at the production of this collective message, please contact Miguel Jimenez- Pont at ICTSD)

In addition to a more expedient and transparent document distribution system, access to WTO dispute settlement proceedings through open hearings and submissions such as amicus briefs has been a priority for many citizen's groups for a number years. As the US has announced its intent to seek such changes during the upcoming review of the Dispute Settlement Understanding, several civil society groups now feel there is a window of opportunity for significant changes. However, support from all WTO member governments must be sought.

Another much-discussed point was possible permanent NGO accreditation to the WTO along the lines of many UN agencies. It was generally felt that such accreditation would offer a more equitable solution prior to setting up a standing consultative mechanism such as the proposed contact group consisting of representatives of the WTO Secretariat, member states and NGOs. The WTO currently grants observer status to other intergovernmental bodies who request it, but accredits non- governmental organisations only for specific events such as the Ministerial Meetings or consultations on the Secretariat's initiative. Even then, the secretariat is not under an obligation to arrange such consultations. The current WTO accreditation system only applies to the event at hand and the criteria remain ad-hoc and, by and large, vague. Several models from the UN system were examined as a basis for NGO-WTO relations. Many NGOs made the point that it was now up to the Secretariat to produce a policy and a scheme for developing and implementing Article V of the agreement Establishing the WTO which calls for relations with non-governmental organizations. Participants also highlighted the contrast between the sound and democratic proposals for public participation contained in the original Havana Charter (the 1948 document creating the International Trade Organization out of which the GATT/WTO system was born) and the undisputedly closed nature of today's system.

## **COMPETITION POLICY**

On 20 May, ICTSD, CUTS (India) and Consumers International (CI) hosted a meeting on Competition Law and International Trade. Representatives of the Intellectual Property and Investment Division of the WTO secretariat, as well as of UNCTAD, made presentations and served as resource persons during the meeting. Presentations were also heard from the representatives of CUTS and CI. Participants discussed developments in the field of trade and competition policy at the WTO, in particular the working group which is currently examining the issue. It was emphasised that the working group had no mandate to negotiate in this area. The key points before the working group relate both to private and to public sector policies. Issues include the impact of state monopolies, exclusive rights and regulatory policies on competition and international trade; the relationship between the trade-related aspects of intellectual

property rights and competition policy; the relationship between investment and competition policy; and the impact of trade policy on competition.

It was pointed out that the EC and its members have championed the idea of a new agreement on competition policy, while the US position is less clear, partly due to divergent views among different US government agencies. Participants also noted that there was a diversity of viewpoints amongst Asian and African countries, while a number of Latin American countries were committed to the importance of competition policy. For several of these countries, such policy is central to their reform and privatisation process. An UNCTAD study on benefits for developing countries of competition policy was also highlighted.

A representative of CUTS pointed out that while the main goals of competition policy were economic efficiency and consumer welfare, public interest might conflict with either of these goals. He mentioned a case study which showed how much Australian consumers had suffered from privatisation in that country. He also pointed out that competition policy is broader than a country's competition laws. One factor might be the degree of independence enjoyed by a country's competition board.

Participants in the workshop recognised the complexity of the issues involved in debates around trade and competition policy but also recognised that competition policy is a key area for the development of a better multilateral trading system. It was suggested that a strong multilateral framework on competition policy could be a more desirable alternative to multilateral agreements on investment that do not place rules and disciplines on predatory behavior of economic agents.

## **DEVELOPING COUNTRY ISSUES**

Third World Network (TWN) organised three workshops during the Ministerial. The first was held at the beginning of the Ministerial and focused on "Key Issues Facing the WTO Ministerial Conference." NGOs generally felt that no new trade liberalisation agreements should be signed before the effects of the Uruguay Round Agreements for developing countries are clearly understood. These effects are not yet fully measurable since developing countries were given a "grace period" allowing them to implement many WTO agreements gradually over time. Concern was raised about the social and environmental effects of the TRIPs Agreement, as well as about future WTO agreements on agriculture, competition policy and investment.

On 19 May, TWN held a workshop on "How the IMF and its Programme of Financial, Trade and Investment Liberalisation Contributed to the Asian Economic Collapse." It was stated at the workshop that in the recent Indonesian and East Asian crisis, the IMF was part of the problem and not the solution: IMF-supported policies of liberalising capital markets caused an exodus of money from the Asian countries hit by the crisis. A number of speakers commented on how in their view the IMF disempowers people, as well as governments from the South, and said that they were surprised Southern governments were not more outspoken about this. Several ideas for working to ensure that the IMF follows less harmful policies in the future were put forward. The representative of WWF-USA described some US NGO activities aimed at making the IMF more accountable, and the limited success achieved so far. Another, more long-term, idea was to support adoption of the so-called "Tobin tax", which would tax international financial transactions.

The third TWN workshop took place on 20 May. It was entitled "The Future of the WTO: Defining Issues and NGO Activities". Speakers provided an analysis and critique of what had happened during the

Ministerial. First, the WTO failed to invite the Secretary General of the United Nations to speak at the conference although the UN was the institutional cradle of the WTO. The process by which the draft ministerial declaration was written was also scrutinised. It was suggested that a better process would involve trade ministers from the very start and that it is the role of civil society to question their ministers at the national level on progress in the process.

The TWN criticised the notions of non-discrimination and national treatment as promoted by the WTO, saying that countries with different levels of development should not in fact be treated equally by the multilateral trading system because poor countries cannot compete on equal grounds with rich ones. The special and differential treatment granted to developing countries in the implementation of WTO agreements is insufficient and a greater handicap must be granted.

In a workshop organised by the Association for North-South Campaigns of The Netherlands (INZET), almost 40 civil society organisations and several government delegates met to discuss the needs of the least developed countries (LDCs) in world trading. A presentation by INZET outlined disadvantages faced by LDCs in Geneva, including lack of mission staff, policy backup from their capitals and analysis which focuses on their interests. INZET emphasised key issues for developing countries including full free market access, bound zero tariff arrangements, rules of origin restraints, coherence between the EU Common Agriculture Policy and other EU foreign policy toward LDCs, support from international bodies and civil society, and a WTO agenda with more emphasis on LDC interests. The workshop brought forward positive proposals from a High Level Meeting on Integrated Initiatives for Least Developed Countries Trade Development, held in Geneva in October, 1997.

The second half of the agenda was hosted by Amsterdam's Wemos, and covered consumer protection in the North and South. They suggested 'healthy trade' agenda items in the WTO such as increased transparency and inclusion for consumers' organisations in document drafting, dispute settlement and in conferences, committees and meetings concerning standards. They also brought forward ideas for the Codex Alimentarius and national governments. The debate which ensued included interventions from Jordan, India and Tanzania, highlighting the need for North-South co-operation and for a trading system which serves the interests of diverse development models.

## **DISPUTE SETTLEMENT**

An 18 May briefing convened by WWF International looked at three recent dispute settlement rulings as an introduction to the review to be conducted before end-1998 on the WTO dispute settlement proceedings (see related article in April-May Bridges, Vol. 2, Issue #3).

The WTO recently ruled that the US import ban on marine shrimp caught with nets not equipped with turtle excluder devices (TEDs) violated GATT provisions, causing a significant back-lash against trade liberalisation in the US conservation community. A Southern representative pointed out, however, that effective sea turtle protection depended on much more than TED-use: in some mechanized shrimp fisheries up to 15 tonnes of fish are reportedly dumped for every tonne of shrimp landed. Most of this by-catch, including sea turtles, is thrown back to the sea either dead or dying. Rather than fight for obligatory world-wide TED-use, the representative of the New Delhi-based Research Foundation for Science, Technology & Ecology called for support to a total ban on destructive marine technologies such as shrimp trawlers and fishing vessels equipped with purse-seine nets, as well as destructive forms of industrial aquaculture.

The Centre for International Environmental Law (CIEL) stressed that the renewal of President Clinton's fast-track authority depended largely on the Administration's inclusion of environmental concerns in its trade negotiation mandate. Among other priorities, CIEL called for a serious effort to bring processing and production methods (PPMs) within the scope of international trade agreements (the WTO, the Free Trade Area of the Americas and Transatlantic Economic Partnership, for instance). CIEL argued that the panel ruling introduced a new trade-based 'threshold test' for the use of the environmental exceptions allowed under Article XX. WWF International concurred, adding that the ruling constituted a violation of international environmental law, and contributed to a growing resistance to trade liberalisation at the global level, akin to the civil society opposition that has for the time being halted negotiation on the Multilateral Agreement on Investment within the OECD.

Amongst participants who shared this view was Oxfam, which highlighted the economic and social consequences of the WTO's condemnation of EU's preferential treatment of banana imports from African, Asian and Caribbean countries belonging to the Lomé Convention, saying that the withdrawal of the preferences would mean 'imminent destruction' to some 200,000 Caribbean banana growers and result in a 50 percent drop in export earnings. According to Oxfam, the ruling will subordinate a 'transparent agreement' between the EU and the ACP countries to the interests of multilateral corporations. He called for a change in WTO rules in favour of 'special and differential treatment for small and vulnerable economies highly dependent on a single commodity', as the present category of least-developed countries (LDCs) had grown meaningless with the wide variation of income and export capacity between LDCs and other developing countries.

The Community Nutrition Institute drew some conclusions from the Appellate Body ruling that the EU's import ban on beef treated with growth hormones was not justified because of lack of scientific evidence that such meat could damage human health. The Community Nutrition Institute proposed the following reforms to WTO's handling of cases involving public health issues: placing the burden of proof on the party challenging the health standard; making it explicit that the SPS Agreement establishes floors, not ceilings, to health standards; deferring to other intergovernmental organisations/experts in the field of public health rather than GATT law; and acknowledging the appropriateness of the 'precautionary principle' in public health-related cases.

## **TRIPS**

Several workshops were held on and around the upcoming review of Article 27.3 (b) of the Agreement on Trade-related Intellectual Property Rights. This article allows countries to generally exempt plants and animals other than micro-organisms from patentability, but requires that new plant varieties be protected either by patents or 'effective sui generis systems'. The Article must be reviewed in 1999.

A workshop organised on 19 May by Genetic Resources Action International (GRAIN) and the GAIA Foundation focused on the development of sui generis systems of plant variety protection in the context of the TRIPs revision. Among the questions examined were the definition of sui generis systems and the role of NGOs in the TRIPs review. Participants felt that NGOs should seek to ensure that the revision does not result in generalised patenting of life. They also stressed that NGOs should keep searching for a form of protection in line with the objectives of the Convention on Biological Diversity (CBD): conservation and sustainable use of biological resources, and equitable sharing of benefits arising from the use of biological diversity and traditional knowledge. Rather than accept patents on a uniformly commercial and individual basis, NGOs should lobby governments to develop legislation that takes into account the interests of all stakeholders, including those of indigenous communities.

A workshop organised by IUCN-The World Conservation Union on 18 May sought to highlight the links between the Convention on Biological Diversity and the global trade regime--particularly TRIPs--as well as develop guidelines for NGO action. Among possible negative impacts of trade on biodiversity are unsustainable wildlife harvesting, the propagation of alien species, and other consequences of trade and production capacity expansion, including infrastructure and transportation. Feeding the benefits of biodiversity exploitation to local communities offers the main positive potential of the trade and biodiversity interface. NGOs could develop indicators, assessments, models or guidelines on issues such as sustainable production/well-managed harvesting, alien species and genetically modified organisms, sui generis systems and subsidies, as well as a range of cross-cutting issues in order to clarify what can and cannot be done under each regime. Further work is needed to reach a consensus on the potential conflict between the CBD's requirement to equitably share benefits arising from the use of biodiversity and traditional knowledge and the WTO interpretation of TRIPs. IUCN is currently carrying out case studies on the compatibility of the trade regime and environmental objectives regarding the forestry section in Chile, fisheries in West Africa and intellectual property rights in India.

ICTSD and the Centre for International Environmental Law (CIEL) convened a workshop on 19 May on the interface between TRIPs and sustainable development. An official from the WTO Division on Intellectual Property served as resource person during the meeting. Starting with the revision of Article 27.3(b), participants looked at the issue from a wider perspective than biodiversity conservation, including potential impacts of biotechnology patenting and the TRIPs requirement for obligatory patenting of pharmaceutical products. It was mentioned that the latter had vast potential consequences for countries such as India where current IPR legislation excludes pharmaceutical and agricultural products, as well as for countries which maintain a high production of relatively cheap medicine protected by patents in other markets. In this context, participants discussed the effect of patenting in price formation, and the public health implications of the implementation of the TRIPs Agreement. On the whole, they emphasized the need to define the limits and rights between intellectual property rights and the public domain, and to reach a more equitable balance between patent-holders' rights and obligations. The urgency to further discuss these issues before the 1999 review of article 27.3(b), and to involve governments in these debates, was also stressed.

## **AGRICULTURE**

ICTSD's 20 May workshop on "Trade, Agriculture and Sustainable Development" looked at the social, economic and environmental effects of implementation of the WTO Agriculture Agreement, the work of the Committee on Agriculture and prospects for and views on upcoming negotiations. An official from the WTO Agriculture Division, and representatives from the Resource Centre for Peoples Development (Philippines), the Protestant Farmers Association (Germany) and the Ministry of Agriculture of the Netherlands, made presentations and served as resource persons to the meeting. The WTO Agriculture Committee has embarked on an informal "analysis and information exchange process" between governments. The work of the Committee has helped clarify which domestic agricultural policies belong to which of three "boxes": green (acceptable), yellow (borderline), and red (in violation of GATT). In addition, policies have also been placed in a blue box for measures that might normally be in the yellow box but are allowed as an exception. Participants observed that there is a need for clear definition of "blue box policies", which might be allowed in support of smaller economies or for environmental protection.

At a workshop held over the previous weekend, NGOs had identified food security, sustainable development, a more just trade regime and more justice in international agriculture as key issues (see also report in Weekly Trade News Digest No.18). The workshop recommendations included creating a global food security net for exchange of information and ideas; moving on labelling and standard setting; responding to the WTO's "boxes system" by improving the sustainable development box so that subsidies can be used for environmental aims; creating a "bread box" for low- income food deficit countries; and revising the WTO Agreement on Sanitary and Phytosanitary Measures for better monitoring of the Codex Alimentarius.

The workshop debated whether taking parts of agriculture out of the WTO would or would not be the answer to the problem; how bringing down barriers in developed countries is key, and the opportunities for developing countries and importing countries in the next round. It was mentioned that some developing and Cairns group countries fear that -- due to internal EU difficulties in agreeing on opening up agriculture trade -- any EU proposal to come before the WTO would be non- negotiable. One NGO participant pointed out that in terms of environmental protection, the EU might be in a position to serve as "environmental good guy" and counterbalance the Cairns group and the USA.

A group of US agriculture groups -- including the US Dairy Foods Association, the Pork Producers Council, the National Farmers' Alliance and the American Sugar Alliance -- held a meeting on 19 May, during which they expressed their support for the WTO and, in particular, for speeding up agriculture trade liberalisation.

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## **WTO MINISTERS GEAR UP FOR MORE DEBATE ON NEW TRADE TALKS**

WTO trade ministers agreed to hold next September a special session of the WTO General Council in order to draw up recommendations on the future work program, including a possible new round of trade talks. According to the ministerial declaration, the General Council is to develop recommendations for the third WTO ministerial scheduled for 1999, and should consider among other issues, issues related to the implementation of existing agreements and decisions; ensuring that trade negotiations agreed to under the Marrakesh Agreement—which established the WTO, get underway, and recommendations on the follow-up to the October 1997 High Level Meeting on Least-Developed Countries. The General Council is to also consider "other matters proposed and agreed to by Members concerning their multilateral trade relations," which could lead to a new round of trade talks.

The U.S. will play a key role in the preparatory process for the third ministerial, which members agreed would be held in the U.S. next year. U.S. Trade Representative Charlene Barshefsky said the U.S. had not yet taken a formal position on a so-called Millennium Round of trade talks. U.S. President Clinton, in his speech to the ministerial meeting last week signaled some commitment to a new trade round, although his remarks focused mainly on the timing of a new round. "We should explore whether there is a way to tear down barriers without waiting for every issue in every sector to be resolved before any issue in any sector is resolved." The U.S. wants to avoid the fate of the Tokyo and Uruguay Rounds that took ten and over seven years, respectively, to conclude.



EU trade commissioner Sir Leon Brittan first floated the idea of a Millennium Round earlier this year. Brittan said he was encouraged by Mr. Clinton's speech in Geneva last week. "I regard this as a step forward. It is a substantial step towards U.S. commitment to a round," he said. Another EU official said, "We were encouraged--and it really was beyond our expectation--that the word 'round' was used in [President Clinton's] speech. That shows an openness to the process that we welcome."

Developing countries are less open to a new trade round. African trade ministers last week issued a joint statement calling for a full assessment of the Uruguay Round--in light of African countries' experience, before expanding the WTO work plan.

African ministers acknowledged that the multilateral trading system had contributed to economic growth in Africa. The ministers' joint statement noted however that "our continent continues to be bypassed with regard to the benefits of the remarkable growth and greater global economic integration of recent years, and hence continues to experience marginalization from the global economy."

"The institutions and human resources for trade administration in our countries have been severely stretched by the demands of implementing our obligations and exercising our rights in the multilateral trading system," the ministers' statement said.

Also last week, WTO ministers agreed to consider how to improve the transparency of WTO operations.

"WTO Ministerial Declaration," WORLD TRADE ORGANIZATION, May 20, 1998; "WTO ministers to launch preparations for new talks in September," INSIDE US TRADE, May 22, 1998; "Clinton's WTO ideas stir controversy," WALL STREET JOURNAL, May 19, 1998; "Brittan welcomes Clinton trade talks call," FINANCIAL TIMES, May 20, 1998; "Clinton urges new, faster trade round," FINANCIAL TIMES, May 19, 1998; "Trade: Africans reject new issues in WTO until old problems solved," IPS, May 19, 1998.

### **LDCS CALL FOR MARKET ACCESS, DEBT PROMISES FULFILLED**

Ministers from the world's least developed countries (LDCs) last week called on developed countries to fulfill promises made regarding increased market access for LDC exports and reiterated concerns over the speed and scope of debt relief for the world's poorest countries. In a statement circulated by LDC ministers, the LDCs expressed "deep concern that the share of LDCs in world exports continues to be under 0.4 percent resulting in their marginalization in world trade."

LDC ministers urged developed countries "to give operational content" to the WTO Plan of Action adopted at the first WTO Ministerial in Singapore in 1996, and the High-Level Meeting of Integrated Initiatives for LDC Trade Development which took place in October 1997. In addition to enhanced flows of Official Direct Assistance (ODA) and zero tariff access for LDC products, LDCs called for "expeditious implementation of the special and differential measures in favor of LDCs as contained in the Final Act of the Uruguay Round." LDC ministers encouraged developed countries to increase trade-related technical and financial assistance, and recommended that financial support from finance organizations and donors focus on infrastructure development so to increase foreign investment in LDCs.

LDC ministers reiterated their concerns that debt relief initiatives on the part of developed nations remain inadequate. Ministers called the Highly Indebted Poor Countries (HIPC) initiative at the World Bank and IMF a step in the right direction, but warned, "the effectiveness of the initiative will depend on

the speed and extent of its implementation." (See related story this issue.) LDC ministers want more developing countries considered for the program.

In their ministerial statement, LDC ministers called for more time to comply with Uruguay Round commitments. In his address to the WTO Ministerial last week, South African President Nelson Mandela said an extension of time for developing countries to comply with WTO commitments would help promote the conditions necessary to support a multilateral rules-based trading system.

"The developing countries were not able to ensure that the rules accommodated their realities. For understandable reasons, it was mainly the preoccupations and problems of the advanced industrial economies that shaped the agreement. The sections dealing with the developing countries and the least-developed countries were not adequately thought through. Nor have they been fully implemented," Mr. Mandela said.

Mr. Mandela called on developing countries to lead the formation of a WTO agenda that fully addresses their needs. "[Developing countries] need to define precisely those areas that are obstacles to their progress in the world trading system. Free market access for the LDCs should no longer be the issue debated. It is rather the practical effects of implementing this that need to be incorporated into the multilateral system," he said.

Mr. Mandela addressed the thorny issue of labor and environmental linkage to trade. "There can be no refusal to discuss matters such as labor standards, social issues and the environment, but equally all must be prepared to listen carefully before judgements are made. If developing countries feel that there is nothing to gain except further burdens, then it will prove difficult to deal with these crucial matters."

During a working session on implementation of Uruguay Round commitments at the ministerial, India and a number of developing countries called on industrialized nations to speed up the elimination of quotas on commercially meaningful textile and apparel products. India along with Pakistan, Hong Kong, Kenya, Bangladesh and other nations complained that developed countries were not following "letter or spirit" of the Uruguay Round Agreement on Textiles and Clothing (ATC). Under the ATC, textile-importing countries such as the U.S. and EU agreed to a ten- year phaseout period for restrictions on textile imports. Developing countries agreed to the phaseout period, even though developed countries backloaded the most commercially meaningful products at the end of the phaseout period. Developing countries now worry that the U.S. and EU may lack the political will to carry out their commitments. Informed sources said that the working session on Uruguay Round implementation resulted in a "breakdown" between developed and developing countries.

"LDC statement to WTO Ministerial," WORLD TRADE ORGANIZATION, May 20, 1998; "Statement by H.E. Mr. Nelson Mandela," WORLD TRADE ORGANIZATION, May 19, 1998; "Trade-Development: Mandela tells WTO to bridge North-South gap," IPS, May 19, 1998; "WTO sees gap between developing, developed nations," DOW JONES NEWS SERVICES, May 19, 1998; "India leads developing nation call for better textile quota phaseout," INSIDE US TRADE, May 22, 1998; "Remove WTO imbalances: Hegde," THE HINDU, May 19, 1998.

## **TRADE AND ENVIRONMENT SHOWDOWN AT MINISTERIAL**

In his opening address at the WTO ministerial last week, WTO Director-General Rennato Ruggiero called for "renewed political impetus" for the WTO Committee on Trade and Environment (CTE) in order to

seriously address the issue of trade and environmental linkage. Mr. Ruggiero also promised increased dialogue between the global trade body and environmental groups in an effort to assuage environmentalists' fears that WTO rules threaten the environment.

U.S. President Bill Clinton in his ministerial address called for a high-level meeting of trade and environmental ministers to provide direction to future WTO environmental efforts, echoing a suggestion of the European Commission to the same effect. Three recent cases have placed once more the linkages between trade and environment in the international media's agenda: the ruling on the EU banana-import regime; the ruling on the EU ban on hormone-treated beef imports; and the very high-profile shrimp-turtle ruling on the U.S. ban on imports of shrimp caught without the use of so-called turtle-excluder devices (TEDs).

British Prime Minister Toni Blair last week told trading partners that protecting the environment is "perhaps the major challenge we face as we head toward the next century," and said that environmental protection should be incorporated into trade rules. Mr. Blair warned however that with regard to environmental and labor linkage to trade, "trade rules should not be used to impose unfair standards on developing countries, nor to discriminate against their exports."

"Ruggiero offers olive branch on environment," FINANCIAL TIMES, May 19, 1998; "Blair in trade plea for third world nations," FINANCIAL TIMES, May 20, 1998; "Blair in trade plea for third world nations," FINANCIAL TIMES, May 20, 1998.

#### **G-8 BLASTED FOR LACK OF PROGRESS ON HIPCS**

International development agencies last week were enraged by the level of commitment--or lack thereof, from the Group of Eight industrialized nations toward enhanced debt relief for the world's poorest countries. 70,000 people marched on the G-8 Summit in Birmingham, England as part of the Jubilee 2000 campaign for debt relief, yet left disappointed as the G-8 failed to live up to expectations regarding the acceleration and expansion of debt relief.

The G-8, which includes the U.S., Britain, France, Germany, Canada, Italy, Japan and Russia, said in their communiqué that the group supports "the speedy and determined extension of debt relief to more countries, within the terms of the Heavily Indebted Poor Countries (HIPC) initiative agreed by the International Financial Institutions (IFIs) and Paris Club. . . We encourage all eligible countries to take the policy measures needed to embark on the process as soon as possible, so that all can be in the process by the year 2000. We will work with the international institutions and other creditors to ensure that when they qualify, countries get the relief they need, including interim relief measures whenever necessary, to secure a lasting exit from their debt problems."

Development agencies take issue with the G-8 position on at least two fronts. First, the HIPC initiative needs to expand its eligibility requirements to allow more poor countries to be eligible for debt relief: for example the HIPC initiative utilizes a debt to export ratio that poverty fighting groups argue is too high from a sustainability standpoint. Second, tying debt relief to HIPC policy reform puts the burden for debt relief on the backs of the poor, while money for education and health in poor countries continues to service debt while reforms are made.

The G-8 responded to the Jubilee 2000 campaigners in a declaration on less developed countries. "Debt relief in itself is no magic solution; it can only be part of the answer to achieving sustainable

development. Where a country shows a real will to pursue policies that will relieve poverty and build a sound economy, we will do our part and contribute the funds necessary to reduce their debt burden to a sustainable level. This will ensure that the resources freed up are put to good, productive use, generating growth and bringing real benefits--in the form of better education, better health, and sound, honest government-- to the poorest people," according to the declaration issued at the close of the Birmingham summit.

Andrew Simms of Christian Aid expressed his bitter disappointment in the G-8, saying, "It's Groundhog Day for the world's poor. Each year the G-8 pitches up promising to give meaningful debt relief to the poorest countries and each year they remain trapped in a world of aid dependency and disaster after disaster. [The G-8] has failed to understand that the target of halving world poverty by the year 2015 can only be met by more realistic debt relief; the kind of debt relief Germany received after the second world war."

During a major conference on North-South relations and sustainability held this week in Bern, Switzerland, former President of Tanzania and current Chairman of the South Centre, Julius Nyerere, asserted that the debt to export ratio in the HIPC was unreal and, hence, unattainable.

"G8 Summit Final Communiqué," May 17, 1998; "G8 Declaration on Less Developed Countries," May 17, 1998; "Summary of G-8 Birmingham summit communiqué," KYODO NEWS INTERNATIONAL, May 17, 1998; "Fury at G-8's debt 'failure,'" THE GUARDIAN, May 18, 1998.

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## **EVENTS/RESOURCES**

ETHICS AND THE CULTURE OF DEVELOPMENT: BUILDING A SUSTAINABLE ECONOMY, Havana, Cuba from 31 May - 5 June, 1998. The task of this conference, presented by UNESCO's Regional Office for Latin America and the Caribbean, the American Friends Service Committee, and the Centro Felix Varela, is to develop comprehensive guidelines for building a sustainable economy. It will address topics such as socially responsible markets and enterprise, the science and technology of sustainability, and ethical dimensions of building a just and sustainable economic order. For more information: Cuba Conference Staff, American Friends Service Committee, Latin America and Caribbean Desk, 1501 Cherry Street, Philadelphia, PA 19102; tel.: +215.241.7296; fax: 215.241.7026; e-mail: [idlac@afsc.org](mailto:idlac@afsc.org); Internet: <http://www.afsc.org/cubahome.htm>

FIRST INTERNATIONAL FACTOR 4 CONGRESS AND TRADE FAIR ON SUSTAINABLE PRODUCTION TECHNOLOGIES, Klagenfurt, Austria, 17 - 21 June 1998. Organized by the Carinthian Trade Fair, Austria and the Wuppertal Institute for Climate, Environment and Energy, Germany. Factor 4 means increasing by a factor of four the productivity of energy, resources and transport. For more information: Klagenfurter Messe Betriebsgesellschaft mbh; Messeplatz 19021 Klagenfurt, Austria; tel: +43 463 56800 61; fax: +43 463 56800 39; e-mail: [ktnmessen@mail.carinthia.co.at](mailto:ktnmessen@mail.carinthia.co.at); Internet: <http://www.ktnmessen.co.at/messe>.

INTERNATIONAL SYMPOSIUM ON ENVIRONMENTAL MANAGEMENT IN THE MEDITERRANEAN: The Kriton Curi International Symposium on Environmental Management in the Mediterranean will be held from 18 - 20 June 1998 in Antalya, Turkey. For more information: Prof. Gunay Kocasoy, Bogazici University; tel.: +90-212-263-150, ext. 1276; fax: +90-212-265-1800; email: [Envsymp@boun.edu.tr](mailto:Envsymp@boun.edu.tr).

NEW PUBLICATIONS. "Environmental Taxes and Economic Welfare: Reducing Carbon Dioxide Emissions," Antonia Cornwell and John Creedy, Lyme, US: Edgar Elgar, 1997, 152 p. This book is an investigation into two broad policy issues linked to the reduction of carbon dioxide emissions – the nature and extent of needed structural changes in the economy and the effects of selected taxes on income distribution and economic welfare. Considered are a tax on domestic fuel and power to reduce household consumption and a carbon tax aimed at industries. The methods used in the book overcome data limitations and can be applied in many countries. The context for the book, however, is Australia. The analysis "allows for direct and indirect effects on prices" on consumer responses as well as welfare effects for various income groups. The inequality and social welfare measures are evaluated to determine if they can be overcome through transfer payments. The book is available from Marston Book Service Ltd., Box 269, Abingdon, Oxon, OX14 4YN, United Kingdom, Tel: 01235 465 500 Fax: 01235 465 555, International Tel: + 44 1235 465 500 Fax: + 44 1235 465 555, Website: <http://www.marston.co.uk/>. For North and South America, available from Edward Elgar Publishing Inc., 2 Winter Sport Lane, PO Box 574, Williston, VT 05495-0080, US, Tel: (800) 390 3149 Fax: (802) 864 7626, Email: [rhenning@e-elgar.com](mailto:rhenning@e-elgar.com)

"Fisheries Conservation and Trade Rules: Ensuring That Trade Law Promotes Sustainable Fisheries," David Downes and Brennan Van Dyke, Alexandria, VA: Weadon Progressive Printing, 1998. This report, published by the Center for International Environmental Law (CIEL) and Greenpeace, is about the link between trade and the present crisis in the world's fisheries. It provides an initial overview of international trade law and trade-related policy measures that could help implement ecologically responsible fisheries practices. Available from CIEL, 1367 Connecticut Avenue, N.W., Suite 300, Washington, D.C. 20036-1860, USA, tel: (202) 785 8700, fax: (202) 785 8701, email: [cielus@igc.apc.org](mailto:cielus@igc.apc.org); Website: [www.econet.apc.org/ciel/](http://www.econet.apc.org/ciel/) and from Greenpeace-Germany, Grosse Elbstrasse 39, 22767 Hamburg, Germany, tel: 49 40 300618 0; fax: 49 40 30618100, Website: [www.greenpeace.org](http://www.greenpeace.org)

"Sustainability, Growth and Poverty Alleviation: A Policy and Agroecological Perspective," Stephen Vosti and Thomas Reardon, Baltimore: The Johns Hopkins University Press, 1997. This book examines inter-relationships among agricultural expansion/intensification, environmental protection and poverty in developing countries. It discusses how these conditions are influenced by various factors, including population change, climate change, trade and economic policies. It examines specific cases in developing countries worldwide, and makes recommendations for development programmes, including that low external-input agricultural practices are not necessarily appropriate for all settings. 407 pp. US\$55. The Johns Hopkins University Press, 2715 North Charles St., Baltimore, MD 21218; phone (410) 516-6956; fax (410) 516-6998; Website: [www.press.jhu.edu](http://www.press.jhu.edu)

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