

### The Elusive Seattle Mandate: What Will Members Negotiate?

As the second preparatory phase for the Seattle Ministerial Conference – to be held from 30 November to 3 December – draws to a close, WTO Members' objectives for the upcoming trade liberalisation talks are mostly clear. With more than 60 proposals tabled, they now face the challenge of reconciling opposing aims in a concrete negotiating mandate. The mandate will be adopted as part of the Seattle Ministerial Declaration, which Members are expected to start drafting in September.

Negotiations on agriculture and services are already mandated in the so-called built-in agenda, but Members are divided between those who want to limit the round to these topics and the implementation of existing Agreements and those who advocate a comprehensive round conducted as a 'single undertaking', with negotiations on the built-in agenda, industrial tariff reductions and several so-called 'new issues' running concurrently and the results adopted simultaneously, as was done during the Uruguay Round.

No matter how broad or narrow the Seattle Round turns out, the negotiations are expected to be the most difficult trade talks ever held. There is near consensus on only one issue: the round should be concluded within a relatively short time, preferably three years.

The following summary of recent developments attempts to map the lie of the land before Members start defining the substantive contents of the Seattle Round after their summer break. See also related articles on the G-8 Summit on page 3 and APEC on page 10.

#### Implementation of Existing Agreements

At a 7-8 June informal meeting of the WTO General Council, Members discussed a comprehensive 'non-paper' on implementation issues, which many developing countries led by India, Pakistan and Egypt want to be the major focus of the upcoming talks. Tabled by Zambia and co-sponsored by Jamaica, Kenya, Pakistan, Sri Lanka, Tanzania and Uganda, the 42-page paper reviews a number of problems – many of which have been highlighted in previous proposals – that have arisen in the implementation of WTO Agreements and suggests possible actions that could be taken to 'make the system more responsive to the needs of developing countries'. The paper addresses market access concerns, particularly for textiles and agriculture products; developing countries' trade liberalisation obligations; infant industry protection; trade restrictions undertaken for balance-of-payment reasons; safeguards and anti-dumping; technical barriers to trade; sanitary and phytosanitary measures; problems encountered in the implementation of the TRIPs, TRIMs and GATS Agreements; notification obligations;

and shortcomings of the dispute settlement system. As the paper is too broad to be described here in detail, readers should request a copy from the sponsoring governments.

#### Revision Proposals

India has submitted four position papers, proposing revisions to the Agreement on Subsidies and Countervailing Measures, the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement), the Agreement on Trade-related Investment Measures (TRIMs), and the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade of 1994, which addresses anti-dumping measures.

In earlier interventions, many developing countries have focused on what they term as abusive recourse to anti-dumping actions by industrialised countries. India proposed raising the Anti-dumping Agreement's *de minimis* margin from three to five percent for developing countries, and imposing a waiting period of at least one year before an import product can be re-investigated by anti-dumping authorities (WT/GC/W/200). Restricting anti-dumping actions is likely to be a major developing country priority in the Seattle Round, but it will not be easy to rewrite the rules: speaking to a group of business representatives on 16 June, US Commerce Secretary William Daley said there was 'one issue we are not willing to negotiate: that is the anti-dumping rules. Much work remains on putting the existing WTO Anti-dumping Agreement into effect. It is extremely complicated, and the last thing we need is to reopen that Agreement.'

On the WTO Agreement on Subsidies and Countervailing Measures, India's position closely resembled that of five Latin American countries at an earlier meeting, suggesting that the Agreement is currently skewed in favour of developed countries (WT/GC/W/201). India noted that subsidies favourable to developed countries (e.g. agricultural subsidies) are 'non-actionable' under dispute settlement procedures, and announced that it would push for the list of non-actionable subsidies to be expanded to include subsidies benefiting developing countries (see also Bridges Year 3 No.4, page 4).

In another position paper (WT/GC/W/202), India argued that arbitrary and restrictive application of SPS measures to developing countries' agricultural exports was a major barrier to trade, and proposed revising the Agreement to provide longer timeframes for developing countries to comply with domestic SPS measures. In addition, India called for broader developing country representation on global standardisation bodies such as the Codex Alimentarius Commission, which sets international food safety standards.

*Continued on page 2*

#### IN THIS ISSUE

G-8 Summit Endorses Trade-Environment Link	3
WTO News	6
Multilateralism: the EU's Defense against Sections 301-310 of the US Trade Act	8
Dispute Settlement	9
Regional Integration News	10
MEA News	13
International Organisations	14
ICTSD and Partner News	15
Meeting Calendar/Publications	16

Published by the International Centre for Trade and Sustainable Development.

*Codex Alimentarius, continued from page 1*

The Zambian discussion paper on implementation problems proposes that, to be acceptable as a basis for WTO-consistent TBT or SPS measures, 'a standard prepared by an international body shall be considered as an international standard only if (i) in the work on formulation of such a standard, an agreed minimum percentage of countries from different regions have participated in the technical work throughout the process relating to its adoption; and (ii) it has been adopted by consensus.'

According to India, the TRIMs Agreement should also be amended to extend the transition period for phasing out local content and export performance requirements on foreign direct investment projects beyond January 2000 'as the existing provisions come in the way of accelerating the industrialisation process in developing countries'.

One of the proposals contained in the Zambian discussion paper suggests that it would be 'necessary to review the provisions of the [Trade-related Intellectual Property Rights (TRIPs)] Agreement relating to compulsory licensing in order to ensure that the governments of developing countries are able to grant such compulsory licenses to domestic industries for manufacture and marketing in cases where patented drugs, particularly those in the WHO list of essential drugs, are being sold at unreasonably high prices.' Regarding the revision of TRIPS Article 27.3(b) on the patentability of plants and micro-organisms, the paper notes that nothing in the Agreement bars countries that have genetic resources from entering into 'contractual arrangements requiring companies using them for research purposes, to pay them fees for such use and royalties, if inventions are patented.'

### **Agriculture**

A large number of countries support the Cairns Group objectives of reducing/eliminating government subsidies for agricultural production and exports. These proposals are mostly aimed at opening up the heavily protected agricultural markets of the EU, Japan, Korea, Norway and Switzerland. The latter continue to emphasise the 'multifunctional' nature of agriculture which would justify government support on environmental and social grounds.

While most developing countries have joined the battle against industrialised countries' subsidy programmes, many of them will fight hard for the right to subsidise agricultural activities that address 'non-trade concerns', such as food security. A number of Latin American countries have argued that developing countries should be allowed to support efforts to improve marketing, transport, diversification of agricultural production and compliance with SPS standards. India and Pakistan in particular have emphasised that special and differential treatment provisions

should cover developing countries' agricultural support schemes. At the 7-8 June meeting, India pointed out that the current trade liberalisation ideology did not properly take non-trade concerns into account and argued for more flexibility in developing countries' domestic support for agricultural producers (see also page 7).

**Biotechnology:** The US and Canada are determined to include biotechnology in the negotiations in one way or another (see Bridges Year 3 No.4, page 4). A recent US proposal (WT/GC/W/186) suggests that the existing framework in the WTO Agreement on Agriculture 'should be supplemented by additional disciplines, as needed, to address new challenges facing the agricultural sector'. This wording indicates that the US may attempt to conclude a 'stand-alone' agreement or set of provisions on approval procedures and labelling for biotechnology products (see also related articles opposite and on pages 5 and 11).

Earlier proposals and positions related to agriculture have been reported on in detail in previous issues of Bridges, see particularly Vol.2 No.8, page 1.

### **Services**

Most delegations seem to agree that the services negotiations must be broad-based and cover all sectors and all modes of supply. At the June meeting, India noted that Article XIX.2 of GATS does provide some flexibility for developing countries to open fewer sectors and liberalise fewer types of transactions.

Australia, Chile and New Zealand proposed that the negotiations achieve higher levels of liberalisation in air and maritime transport, simplification of schedules and greater

transparency in commitments, limitation of the scope and number of most-favoured-nation exceptions, and the development of rules on domestic regulation (WT/GC/W/204). They also emphasised that the negotiations should result in 'more balanced commitments in all modes of supply', including the movement of natural persons as service providers. The latter is a major developing country priority that has been particularly championed by Pakistan at prior preparatory meetings.

In related news, US companies involved in energy exploration, development, marketing and management have formed an Energy Services Coalition with the goal to include energy in the Seattle Round services negotiations. The companies are currently working with the US Trade Representative to identify the energy services sectors that are covered by the General Agreement on Trade in Services, and those that would need to be included in a separate annex. Energy is also one of the sectors that APEC countries are pushing for accelerated tariff liberalisation during the next round (see also under industrial tariffs below, as well as separate article on APEC on page 10).

*Continued on page 4*

The obligation to review TRIPs Article 27.3(b) was specifically included in the Agreement as a number of countries, particularly the developing countries, had expressed concerns at the provisions of the sub-paragraph, particularly that plant varieties must be protected either by patents or by a *sui generis* system. It may be necessary to clarify the provisions of the Agreement relating to patentability of plant varieties by providing that where a country grants protection to plant-based inventions, it could impose obligations on holders of rights:

- To declare the origin of the materials used and to demonstrate the prior consent of the country of origin and, when relevant, of the indigenous or farming communities; and
- To pay compensation to the country or the communities that had the material or the traditional knowledge used in the development of the new variety.

It should further be clarified that the provisions in the Agreement providing that 'micro-organisms' could be patented apply only to genetically modified micro-organisms and not those which are naturally available.

*Excerpted from a non-paper by Zambia, Jamaica, Kenya, Pakistan, Sri Lanka, Tanzania and Uganda.*

## G-7/G-8 Endorse Trade-Environment Link, Adopt Debt Relief Initiative Summit

At their annual Summit, held in Cologne from 18-20 June, the heads of state of the United States, Canada, Great Britain, Germany, France, Italy, Japan and Russia launched a major new debt relief initiative and agreed to 'seek a more effective way within the WTO for addressing the trade and environment relationship and promoting sustainable development and social and economic welfare worldwide'.

### Trade, Participation and Sustainable Development

While the Cologne communiqué issued at the end of the meeting expresses support for the upcoming WTO negotiations only in general terms, the reference has a surprisingly strong environmental and social focus.

In the part of the communiqué devoted to the multilateral trading system, the G-7/G-8 leaders confirm their agreement on the importance of improving the WTO's transparency and of making it 'more responsive to civil society while preserving its government-to-government nature.' In addition, the leaders urge 'greater co-operation and policy coherence among international financial, economic, labour and environmental organisations'.

The environment chapter of the communiqué promises increased efforts 'to build a coherent global and environmentally responsive framework of multilateral agreements and institutions'. Somewhat surprisingly, considering the different views of the governments involved, the G-8 leaders state that they 'agree that environmental considerations should be taken fully into account in the upcoming round of WTO negotiations. This should include a clarification of the relationship between both multilateral environmental agreements and key environmental principles, and WTO rules'.

### Disagreement over Biotechnology

Biotechnology is shaping up as one of the major battlegrounds of the new WTO round. After the US and Canada announced in April that they were joining forces to seek better market access for genetically engineered products during the Seattle Round, the issue seems to have gained momentum both at the WTO and other international fora (see pages 5, 11 and 14). The Cologne communiqué calls on governments to deal with 'the consequences of developments in biotechnology [...] at the national and international levels in all the appropriate fora. We are committed to a science-based, rules-based approach to addressing these issues'.

French President Jacques Chirac proposed the establishment of a Global High Scientific Council for Food Safety to 'study and validate' new products and novel foods. The independent Council would reinforce public acceptance for products pronounced safe, not least because it would rely on the 'precautionary principle' in cases of scientific doubt. The US and Canada opposed the plan, saying that food safety issues belonged to the WTO. In their communiqué, the G-7/G-8 leaders invited the OECD Working Group on Harmonisation of Regulatory Oversight in Biotechnology and the OECD Task Force for the Safety of Novel Foods and Feeds to 'undertake a study of the implications of biotechnology and other aspects of food safety' with a view to report back to the year 2000 Summit on 'possible ways to improve our approach to these issues through international and other institutions, taking into account the reflections underway in other fora'.

### Timid Nod for Labour Standards

While the Cologne communiqué devotes a lengthy chapter to strengthening social safeguards – including respect for human rights and core labour standards – it stops short of advocating a direct trade/labour link. Instead, the leaders expressed support for strengthening the ILO's capacity to assist countries in implementing core labour standards and stressed 'the importance of effective co-operation between the WTO and the ILO on the social dimensions of globalisation and trade liberalisation'.

### Debt Relief Initiative Approved

The meeting formally endorsed an important new debt relief initiative for the most heavily-indebted poor countries (HIPC). The debt reduction plan, already agreed by G-7 finance ministers at an earlier meeting, calls for a dramatic expansion of the HIPC initiative started in 1996. According to the Summit communiqué, the Cologne Debt Initiative is designed 'to provide deeper, broader and faster debt relief through major changes to the HIPC framework. The central objective of this initiative is to provide a greater focus on poverty reduction by releasing resources for investment in health, education and social needs. In this context we also support good governance and sustainable development'.

Together with earlier debt relief commitments, the Cologne Initiative could more than triple the amount of relief – from US\$13 billion under the current HIPC framework to as much as US\$50 billion. If all 33 potential candidates for relief were to fulfil the conditions, the initiative would reduce their 'debt stock' from about US\$127 billion today to US\$37 billion with the cancellation of official development assistance debt by G-7 and other bilateral creditors.

To qualify for debt relief under the new initiative, heavily indebted poor countries must target their debt servicing savings for health, child survival, AIDS prevention, education, greater transparency in government budgeting, and wider consultation with civil society in the development and implementation of economic programmes.

### Improving Financial Architecture

The leaders also approved a number of steps designed to strengthen the international financial architecture. They called on international financial institutions 'to support and monitor the development of sound social policy and infrastructure in developing countries', urging the International Monetary Fund 'to give particular priority to core budgets such as basic health, education and training to the extent possible, even during periods of fiscal consolidation'. They also invited the World Bank and the IMF 'to work together to develop a set of policies and practices that can be drawn upon, by donors and borrowers alike, in the design of adjustment programmes that ensure the protection of the most vulnerable'.

Among measures to promote greater financial stability and investor confidence, the G-7 agreed to make more details of IMF economic programmes and policy-making discussions available to the public and endorsed new disclosure rules and more stringent financial regulations for both lenders and borrowers.

*Seattle Ministerial Update, continued from page 2*

### **Regional Trade Agreements**

Both developed and developing countries have expressed concern about the unclear relationship between WTO rules and regional trade agreements (see Bridges Year 3 No.4, page 3). At the 7-8 June meeting, many Members agreed that the WTO Committee on Regional Trade Agreements did not work properly, and that the whole issue of regional trade arrangements should be revisited. A Japanese proposal submitted on 22 June summarises these concerns. It suggests a clarification of a number of key concepts under GATT Article XXIV and GATS Article V:1, and strengthening examination procedures through the establishment of a review process, ensuring the enforcement of the results of the examination and establishing an obligation to notify economic integration liberalising trade in services.

### **Additional Issues**

At the 7-8 June meeting, India stressed that negotiations on the built-in agenda (agriculture and services) should be separate from those on any other issues and not be conditioned on progress elsewhere. India also said it faced domestic problems and sensitivities about widening the scope of the negotiations beyond the built-in agenda.

**Investment:** In spite of an active citizens' movement opposed to a multilateral investment agreement in many European countries and North America, the European Union and Canada staunchly support a future WTO investment treaty (see related article on page 12). As this issue of Bridges went to press, the EU was expected to submit a detailed proposal on how it envisages the investment issue to be handled during the Seattle Round.

The EU's Eastern European member candidates, Chile, Japan, Costa Rica, South Korea, New Zealand and Switzerland also support the inclusion of investment in the Seattle Round. The US has said it would support 'more modest' negotiations on investment, which some observers think could mean clarifying and strengthening some provisions of the Agreement on Trade-related Investment Measures (TRIMs). Brazil has said it might support investment negotiations.

At the 7-8 June meeting, India, Pakistan and Uganda again argued that it would be premature to include investment in post-2000 negotiations as the Working Group on the Relationship between Trade and Investment established by the Singapore Ministerial Conference still had a large number of issues to address.

**Competition policy:** Most countries that support the development of WTO disciplines in investment are also in favour of negotiating competition policy rules as part of the new round. India, Pakistan, Egypt, Morocco and the ASEAN countries oppose the inclusion of this topic in the post-Seattle round, particularly as the WTO Working Group on the Interaction between Trade and Competition Policy has not yet concluded its work. The United States, which faces strong domestic pressure to keep its anti-dumping laws outside WTO disciplines, said in June that it would not support negotiations on competition policy because of disagreement between WTO Members. Anti-competitive practices such as trade remedy laws would necessarily come under scrutiny if the WTO were to embark on rule-making in this area.

---

**The United States, which faces strong domestic pressure to keep its anti-dumping laws outside WTO disciplines, said in June that it would not support negotiations on competition policy because of disagreement between WTO Members.**

---

**Transparency in government procurement:** This is the third of the so-called 'new issues' added to the WTO's work programme at the Singapore Ministerial (the others are investment and competition policy). Countries are similarly split on government procurement as on the other Singapore issues, except that Australia and the US support the conclusion of an agreement. Countries in favour of starting negotiations on this issue emphasise that the future agreement would concern only the transparency of government procurement rules, not market access. Those against – led by India, Pakistan and Egypt – argue that the Working Group on Transparency in Government Procurement needs more time 'to understand fully' the concerns of developing and least-developed countries. The working group has a mandate to 'develop elements for inclusion in an appropriate agreement', but so far Members have raised a large number of issues without agreeing on elements to be forwarded to the Seattle Ministerial Conference.

**Least-developed countries:** Support is said to be growing for the European Union's proposal that industrialised countries commit to zero tariffs for LDC products in Seattle (see Bridges Year 3 No.4, page 4). In related news, the General Council on 15 June adopted a waiver that will allow developing countries to extend preferential tariffs to LDC exports on a non-reciprocal basis. For more information see page 6.

**Industrial tariffs:** At the 7-8 June meeting, countries also engaged in a lively discussion on whether industrial tariff reductions should be included in the Seattle Round. The US, the European Union, Singapore, and Hong Kong reiterated their earlier support for their inclusion, while India said that unless developed WTO Members could demonstrate to developing countries that their concerns were being met with more than words, it would find it extremely difficult to embark on any talks on industrial tariffs.

New Zealand on 15 June submitted a proposal supporting comprehensive negotiations on 'all tariffs on industrial products' (WT/CG/W/211), taking the APEC accelerated tariff liberalisation (ATL) initiative as a starting point (for a detailed description of the ATL initiative, see a previous New Zealand paper outlining the proposals in the eight ATL product areas, WT/GC/138.Add.1). New Zealand suggested that negotiations on the eight ATL sectors – environmental goods and services; fish and fish products; forest products; medical equipment and instruments, energy; toys; gems and jewellery – should be concluded a matter of priority. If it proves impossible to achieve a 'critical mass' of support for ATL in advance of Seattle, New Zealand suggests that 'the conclusion of agreements on these eight sectors – initially as plurilaterals representing a critical mass of global trade – be achieved as a matter priority within the post-Seattle negotiations. [...] Members should aim to agree that these sectors would form the basis for an early-harvest element of the new round'.

Proposals promoting early liberalisation of the ATL sectors have previously been made by other APEC countries, including Australia, Singapore the United States. The latter faces considerable pressure from domestic environmental groups, which claim that the elimination of tariffs in wood and wood products would accelerate deforestation worldwide. The ATL initiative foresees industrialised countries phasing out tariffs by 2002 and developing countries by 2004.

*Continued on page 6*

**GMO Regulations Again Dominate TBT Meeting**

At the 11 June meeting of the WTO's Committee on Technical Barriers to Trade (TBT), the United States submitted a paper drawing attention to Members' notifications concerning genetically modified agricultural and food products (G/TBT/W/115). The paper notes that 11 notifications have been made regarding genetically modified agricultural or food products under the TBT Agreement (others have been filed under the Agreement on Sanitary and Phytosanitary Measures (SPS)). Of the TBT notifications, only one was made before 1996, five were made in 1997-1998, and five GMO regulation proposals were notified in the first five months of 1999 alone. The growing trend, the US suggests, indicates 'increasing national debate regarding the need for technical regulations'. Emphasising that 'significant international trade in a wide variety of agricultural and food products is involved', the US notes that international standards applicable to labelling and other aspects of genetically engineered agricultural and food products are 'generally non-existent or only recently has work been undertaken in earnest to address international guidelines and standards, which could be relevant for Members developing science-based regulatory processes for food safety reviews'. The US concludes by urging Members to participate in the work of the Codex Alimentarius 'to advance agreement on relevant international standards'.

The US also tabled a draft decision on the transparency of international standards (G/TBT/W/75/Rev.1) aiming to ensure that WTO Members 'have adequate notice, time and opportunity to participate in the discussions, elaboration and adoption of international standards'.

The observations on the increasing trend towards GMO labelling were most likely made to pave the way for bringing biotechnology more firmly within WTO disciplines during the upcoming WTO negotiations, something both the US and Canada have announced they will seek as a matter of priority. The two are still undecided whether to pursue this through interpretative notes strengthening provisions on approval procedures on products and equivalency agreements in the SPS Agreement, or through the negotiation of a separate agreement on biotechnology.

At the June TBT meeting, Canada criticised Australia's and New Zealand's recent GMO product labelling proposals; Brazil informed the Committee that it was engaged on domestic consultations on the issue; and India said all genetically modified food exported to developing countries that lack adequate testing facilities should be clearly labelled. At previous meetings Japan's proposed mandatory labelling scheme has also drawn criticism.

However, it was European Union's regulation 1139/98 that again came under the heaviest fire. Regulation 1139/98 requires products containing genetically modified soya or maize to be labelled as such. The US and Canada expressed their continued dissatisfaction with the scientific grounds on which the EU bases its distinction between genetically modified and other products, and said the EU still had not satisfactorily responded to their concerns about the regulation's implementation. The two countries maintain it would be very difficult – and prohibitively costly – to test for traces of genetically modified DNA in products, and fear that the EU regulation will lead to a de facto obligation to separate cultivation, transport and production streams of GMO corn and soya crops. Both countries currently mix transgenic crops with others and claim there is no scientific reason to do otherwise.

**Development Committee Ponders Ministerial Contribution**

The WTO Committee on Trade and Development (CTD) met on 16 June to discuss the contribution it could make to the Seattle Ministerial Meeting. While several countries – including Egypt, Morocco, Mexico and Australia – said that the General Council was the proper forum for discussing Ministerial preparations, it was generally felt that the CTD had a role to play in assisting governments to prepare for the Seattle Round of trade negotiations. Mexico suggested that the CTD should come up with some issues that could be forwarded to the General Council before 30 September, to be taken into account in preparations for the Ministerial Meeting.

Few countries have responded to the questionnaire on Members' implementation of WTO Agreements' special and differential treatment provisions in favour of developing countries sent out last year by the Secretariat. Whatever responses have been sent in will be compiled for the Committee's next meeting. Due to strong resistance from some WTO Members, the Secretariat will not prepare an analytical paper on the impacts of the Uruguay Round on developing countries, as requested by Egypt and India.

At the Committee's next meeting on 7-8 July, Members will discuss concerns and problems of small economies. They will also review the compilation of responses regarding the application of special provisions in favour of developing country and LDC Members and consider possible inputs by the CTD to the third WTO Ministerial Meeting. Other agenda items include recent developments in trade of developing and least-developed countries, and technical cooperation.

Contact: Chiedu Osakwe, WTO Trade and Development Division, tel: (41-22) 739-5250, fax: 739-5774.

**Environment Committee Meets on MEAs**

The WTO Committee on Trade and Environment met on 29 June to discuss the relationship between multilateral environmental agreements (MEAs) and the WTO. Representatives of five MEA Secretariats (the International Tropical Timber Organisation, the Climate Change Convention, the Montreal Protocol, CITES and the Intergovernmental Forum on Forests) briefed Members and answered questions. The meeting was held too close to Bridges deadline for a report to be included here. However, the papers submitted by the MEA Secretariats above, as well as the Convention on Biological Diversity and the Commission for the Conservation of Atlantic Marine Resources, and the WTO Secretariat are available on the WTO website (documents WT/CTE/W/112-122). The Secretariat will publish the proceedings of the meeting as a Trade and Environment Bulletin in about a month. For copies, see <http://www.wto.org/wto/envIRON/bulletin.htm>, or contact the address below.

On 28 June, New Zealand submitted a paper urging governments 'to make an early commitment to progressively eliminate fisheries subsidies that contribute to fisheries over-capacity, in view of their environmentally-damaging and trade-distorting effects, and to pursue work in the WTO aimed at achieving the reduction and elimination of such subsidies' (WT/CTE/W/121). Progress in this area, New Zealand said, would represent a clear 'win-win' achievement for trade, the environment and sustainable development.

Contact: Doaa Abdel Motaal, WTO Trade and Environment Division, tel: (41-22) 739-5875, fax: 739-5620.

*Seattle Ministerial Update, continued from page 4*

**Trade and environment:** The European Union and Norway have submitted proposals on trade and environment (see Bridges Year 3 No.4, page 4). At the 7-8 June meeting, the EU reiterated its wish to see the environment feature prominently at the Seattle meeting; and Norway and Switzerland brought forward eco-labelling, processing and production methods (PPMs) and the relationship between WTO rules and multilateral environmental agreements as issues needing inclusion/clarification.

A number of developing countries warned that there was no need to duplicate the work of the WTO's Committee on Trade and Environment, where these issues should be considered. Developing countries in general view trade and environment concerns as potential trade restrictions and green protectionism, and therefore oppose their inclusion in the new round. Cairns Group member Argentina has been particularly incensed about claims that environmental protection is one of the facets of agriculture's 'multifunctionality', and should be recognised as a legitimate reason for subsidising production.

In related news, the Group of Eight (G-8) recently called for environmental considerations to be taken 'fully into account in the upcoming round of WTO negotiations', including 'a clarification of the relationship between both multilateral environmental agreements and key environmental principles, and WTO rules' (see separate article on page 3).

**Other issues:** There are a number of issues that currently seem sidelined in the preparatory process. No formal proposals have been put forward on the transparency and openness to public participation of the WTO as an institution, although many countries, including Canada, the EU and the US, have said in other contexts that making the WTO's more responsive to civil society was one of their principal concerns. Specific proposals are also lacking on the controversial question of the relationship between labour issues and trade rules. In addition, it remains unclear how – or whether – reforms to the dispute settlement system will be included in the Seattle Round. The major initiatives in these areas have been described in previous issues of Bridges. See also article on the G-8 Summit on page 3.

### **Towards the Seattle Declaration**

Three meetings remain in the 'proposal-driven' second phase of Seattle preparations: at meetings on 6 and 7 July Members will continue tabling and discussing proposals, as well as start considering future work. Observers expect that Members will agree to hold additional informal sessions before the last meeting of phase two on 28-29 July, when they should decide how they will go about drafting the Seattle Ministerial Declaration and adopt a meeting schedule for phase three of the preparations. Although phase three, scheduled to start in September, is supposed to be dedicated to narrowing the negotiating agenda and drafting the Ministerial Declaration, several WTO Members have reserved the right to submit further proposals after the end of phase two.

<http://www.wto.org/wto/minist/seatmin.htm>

This new addition to the WTO website contains all derestricted submissions made by Member governments in the run-up to the Seattle Ministerial Meeting. Please note that derestriction is done at the request of the government concerned.

### **General Council Adopts LDC Waiver**

Meeting on 15 June, the WTO's General Council adopted a decision that will allow developing countries to grant preferential market access for exports from least-developed countries (LDCs) – an option already available to developed countries under earlier decisions. The decision waives the most-favoured-nation obligation 'to the extent necessary to allow developing country Members to provide preferential tariff treatment to products of least-developed countries, designated as such by the United Nations, without being required to extend the same tariffs to the products of any other Member.' The preferential treatment must, however 'be provided on a generalised, non-reciprocal and non-discriminatory basis' and must 'not raise barriers or create undue difficulties for the trade of any other Member'. There is a tacit consensus among WTO Members that the 48 least-developed countries, which command only about 0.3 percent of global trade, must be better integrated in the multilateral trading system. Many industrialised countries already offer duty-free access to most LDC products, and the European Union is pushing for an across-the-board industrialised country commitment to zero tariffs for LDC products in Seattle. The waiver decision will facilitate developing countries joining the initiative. *Preferential Tariff Treatment for Least-Developed Countries – Decision on Waiver* (WT/L/304) is available on the WTO website <http://wto.org>

### **NGO Seattle Accreditation Procedures Adopted**

The General Council also agreed on 15 June to use the same registration procedures for non-governmental groups wishing to attend the Seattle Ministerial Conference as those used for the previous WTO Ministerials. NGOs must supply in detail all the necessary information showing how they are concerned with matters related to those of the WTO. Groups that have been registered for and attended previous Ministerial Conferences or the March 1999 environment and development symposia, only need to join to their application 'a shorter presentation of their activities and how they relate to those of the WTO. The reference of the meeting for which they have been granted registration and attended has to be mentioned.

Requests for registration accompanied by the presentation of the NGO activities have to be sent by mail before 16 August 1999 to: External Relations Division, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21, Switzerland. For more information, see <http://www.wto.org/wto/ngo/ngojune.htm>

### **Solution to Leadership Crises Under Consideration**

As this issue of Bridges went to press, a new proposal to bring the stale-mated process of selecting the new WTO Director-General to a conclusion was under informal consideration. Australia proposed at the APEC trade ministers' meeting in late June that Thailand's current Deputy Prime Minister Supachai Panitchpakdi and New Zealand's former PM Mike Moore each serve a three-year term, instead of one of them being appointed for four years. Both have said they could accept the proposal if WTO Members wished it. In spite of several months of deliberations, WTO Members have been unable to form a consensus around either candidate and the organisation has been leaderless since Renato Ruggiero stepped down in April. The General Council was to meet in early July to make another attempt to find a way out of the impasse.

## Non-trade Concerns, Subsidies Top Agricultural Agenda

Although the WTO Committee on Agriculture is not a negotiating body, its informal meetings clearly serve as a forum for airing positions and proposals many of which are later submitted to the formal Seattle Ministerial preparatory process. At one such meeting held in late June, Members discussed a paper submitted by Mauritius on the 'Multifunctional Role of Agriculture in Small Island Developing States', which raises 'non-trade concerns' of small economies dependent on a single crop, in Mauritius' case sugar. The EU, Norway, Japan and Korea – who frequently evoke the 'multifunctional' nature of agriculture as a justification for production subsidies – expressed support for the paper, as did several Caribbean countries.

Cairns Group member Argentina however warned Mauritius against joining the 'protectionists', pointing out that it was EU subsidies and protectionism that enabled it to become a major sugar exporter, harming Mauritius' and other LDCs' economies by depressing prices. Other countries, including the US, said that rather than use the multifunctionality argument, the concerns of Mauritius could be addressed through either existing and WTO-compatible non-distorting ('green box') subsidies, or special treatment granted to small developing countries. India expressed doubt as to whether the present 'green box' approach covered the problems faced by the developing countries.

Discussion on an EU paper on Special Safeguards in Agriculture reflected the familiar rift between those wanting to keep special safeguards provisions (EU, Japan, Korea, Poland, etc.) and the US and the Cairns Group who said that regular GATT safeguards are adequate. India pointed out that developing countries might need special safeguard provisions to protect their agricultural sectors against sudden import surges due to trade liberalisation.

WTO Members were similarly split on a paper by Cuba, the Dominican Republic, El Salvador, Honduras, Nicaragua and Pakistan on developing countries' problems in accessing developed country markets. The problems include, *inter alia*, high tariffs on sensitive products, tariff escalation and SPS regulations. The paper was supported by several developing countries.

### Japan Proposes Independent Negotiation Groups

In a related development, Japan on 25 June submitted a paper to the General Council on the upcoming WTO agricultural negotiations, proposing the creation of 'an independent group for agricultural negotiations [...] in light of the particular characteristics of agriculture, which requires WTO Members to consider a wide range of issues, such as domestic support, border measures and export rules, in a comprehensive manner' (WT/GC/W/220). The paper urges the development of 'fair and equitable' disciplines for both food importing and exporting countries, as well as for developed and developing countries, that would allow a 'coexistence of the various types of agriculture among Members'. Stressing the 'multifunctionality of agriculture', Japan calls for negotiations that would take into account 'differences in natural conditions' and the need for food security. According to the paper, another forum should be established 'to address new issues, including GMOs, from a broad perspective'.

### The next agricultural negotiations should be conducted to especially ensure the three following points:

- (i) the importance of the multifunctionality of agriculture;
- (ii) consideration of food security, which can also be regarded as one aspect of multifunctionality; and
- (iii) redressing the imbalance of rights and obligations between exporting and importing countries.

*Japan (WT/GC/W/220)*

Another Japanese paper on forestry and fisheries products (WT/GC/W/221) stresses that such products are 'exhaustible natural resources'. The forthcoming negotiations should 'establish a set of rules and disciplines which contribute to the sustainable utilisation of resources through the promotion of adequate resource conservation and management'. To enable a comprehensive examination 'all the relevant factors [...] giving due consideration to the global environmental issues and resource conservation and management issues', Japan proposes the establishment of a group for forestry and fishery products 'independently from other non-agricultural products'.

The paper further notes that discussions on market access issues for forestry products should focus on 'border measures that facilitate the fulfilment of the public benefits of forestry resources through the maintenance and development of forestry and timber industries in both the exporting and importing countries'. On fisheries products, market access discussions should be aimed at establishing disciplines on border measures that discourage fishing activities of flag-of-convenience fleets, which 'cause an over-exploitation of fish stocks as a result of fishing operations that ignore resource management measures'.

The paper also notes that the 'positive aspects of the fishery subsidies contributing to the sustainable utilisation of fishery resources should be fully recognised'.

### Subsidy Schemes Questioned

At a formal session of the Agriculture Committee on 24-25 June, Members discussed notifications. The European Union and Brazil took the US to task over its decision to sharply increase support to soybean growers. The US countered that its total support over the years was under its bound commitment of US\$20 billion. For the last growing periods the support reached US\$450 million and US\$139 million respectively; this year soya farmers are to be paid US\$2.5 billion under the US loan deficiency price programme, which EU officials claim amounts to bigger per-farm subsidies than the EU's domestic support schemes.

The classification of a number these schemes as allowable 'green box' subsidies in the EU's notification of its 1996-97 agricultural support programmes was strongly contested by Cairns Group members, as well as the US. Australia, the US, Canada and the Philippines also questioned Norway's method of calculating the subsidies which deducts taxes on inputs such as fertilizers from the total, a practice US trade diplomats described as 'a bit more creative than usual'.

Members of civil society interested in agricultural matters must continue to hold their horses regarding document derestriction: Mexico again opposed releasing Secretariat papers prepared for the informal Analysis and Information Exchange process of the Committee. The documents only contain factual data and are compiled from unrestricted notifications. Several other Members, as well as Secretariat officials, urged Mexico to reconsider, pointing out that these documents can be useful to developing country governments and organisations such as FAO and UNCTAD which have programmes for assisting developing countries.



**Multilateralism: the EU's Defense against Sections 301-310 of the US Trade Act**

A dispute settlement panel is currently examining the WTO-compatibility of Sections 301-310 of the United States Trade Act of 1974. The EU brought the case at the height of the banana dispute after the US insisted on its right to retroactively apply trade sanctions against European exports as of 3 March 1999 rather than from 19 April when the WTO's Dispute Settlement Body formally authorised them. The EU contended that 'by imposing strict time limits within which unilateral determinations must be made and trade sanctions taken, sections 306 and 305 of the Trade Act do not allow the US to comply with the rules of the Dispute Settlement Understanding (DSU) in situations where a prior multilateral ruling under the DSU on conformity of measures taken pursuant to implementation of DSB recommendations has not been adopted by the DSB'.

On 29 June, the EU orally defended its case against Sections 301-310 before the panel. In view of the systemic implications of the dispute, we publish below excerpts from the EU's arguments regarding the multilateral nature of the WTO's dispute settlement proceedings.

- In the view of the EC, by maintaining the essential features of Sections 301-310 after the entry into force of the WTO Agreement, the US has breached the historical deal that was struck in Marrakech between the US on the one hand, and the other Uruguay Round participants, among them its major trading partners like the EC and the developing countries, on the other hand.
- That founding deal, that fundamental *quid pro quo*, that we propose to call the 'Marrakech deal', was the following: the US would obtain the practical certainty of adoption by the DSB of panel and Appellate Body reports and the authorisations for Members to suspend concessions, *in exchange* for the *complete* and *definitive* abandoning by the US of its long-standing policy of unilateral action. Thus, the *multilateral* dispute settlement system was meant to provide security and predictability to the multilateral trading system (cf. Article 3.2 of the DSU). In short, a multilateral dispute settlement system guaranteeing the enforcement of WTO rights was to eliminate the need for, and the justification of, unilateral action to enforce WTO rights.
- The first leg of the Marrakech deal was achieved by the agreement reached on the so-called 'reversed consensus' rule. This rule, as is well known, provides in cases where it is applicable for an exception from the general 'positive consensus' rule and allows the adoption of a decision by the DSB unless a consensus *not* to adopt the proposed decision is reached.
- The second leg of the Marrakech deal was implemented by inserting in the DSU an Article 23 entitled 'Strengthening of the Multilateral System'. This provision is centred around four main obligations: (1) the obligation to have recourse to the DSU when a Member seeks redress of a violation of obligation or other nullification or impairment of benefits under any of the covered agreements; (2) the obligation not to make determinations to the effect that a violation has occurred except through recourse to dispute settlement in accordance with the DSU; (3) the *obligation* to make any determination to the effect that a violation of an obligation or other nullification or impairment has occurred *consistent* with the *findings* contained in the panel or Appellate Body report *adopted* by the DSB and (4) the *obligation* to obtain DSB authorisation before suspending concessions.

- The Marrakech deal was signed and sealed by the agreement of the Uruguay Round participants on a new requirement introduced in the Marrakech Agreement Establishing the World Trade Organisation, namely Article XVI.4 of the umbrella agreement:

Each Member shall ensure the conformity of its laws, regulations and administrative procedures with its obligations as provided in the annexed Agreements.

- Article XVI.4 WTO is a fundamental, additional principle of the WTO legal system governing the relationship between domestic laws, regulations and administrative procedures and WTO law that applies over and above the obligation under general public international law enshrined in Article 27 of the Vienna Convention on the Law of Treaties. Pursuant to this provision

A party may not invoke the provisions of its internal law as justification for its failure to perform a treaty.

- [It is the panel's] main task to determine whether Sections 301-310 comply in form and in *substance* with the requirements, *inter alia*, of the fundamental provision in Article 23 of the DSU. Moreover, another part of the scope of this panel proceeding, and thus an additional important task for you is to determine whether Sections 301-310 comply in form and in *substance* with the requirements of the fundamental provision contained in Article XVI.4 of the Marrakech Agreement.
- The present Panel is the first WTO panel that is called upon to examine, among others, a claim of violation of a substantive obligation under the DSU and Article XVI.4 of the Marrakech Agreement.
- Article XVI.4, in particular, though drafted with Sections 301-310 in mind, is of general application. Your rulings will therefore have implications not only for Sections 301-310 but also for Members' WTO-related domestic legislation in all areas. Your responsibilities are therefore great since you are expected to protect one of the most fundamental bargains of the Uruguay Round in this case.
- The basic assumption underlying Sections 301-310 is that, as soon as a time limit set out in the DSU has expired, the US regains its 'freedom' to take any unilateral determination or any other action it deems appropriate. In other words, the US has adopted its legislation in the apparently deep-rooted conviction that nothing fundamental had changed after Marrakech. It believed (and apparently still believes) that the expiration of a time-limit foreseen in the DSU gives the US a right to adopt unilateral determinations and to take unilateral actions with respect to and to the detriment of any other WTO Member.
- The European Communities reiterate that the Uruguay Round participants agreed in Marrakech that there is no longer *any* possibility to adopt *any* unilateral determination or to take *any* unilateral action for an alleged breach of a covered agreement. All WTO Members, including the United States, have undertaken an *unqualified and unconditional* international obligation set out in Article 23 of the DSU not to revert to unilateral determinations and actions. This commitment is not conditional upon the dispute settlement process being completed within the time limits set out in the DSU.



## Dispute Settlement Corner

**India Prevails in WTO's First Ruling on Regional Trade Arrangements**

The WTO on 31 May handed down its first ruling concerning trade restrictions undertaken pursuant to regional integration (WT/DS34/R). India had challenged Turkey's establishment of import quotas for textile and clothing products in 1996, which the latter claimed were necessary for harmonising its trade regulations with those of the EU after Turkey formed a customs union with the European Union. Turkey particularly referred to GATT Article XXIV:8(a)(ii), which requires parties to a customs unions to apply 'substantially the same duties and other regulations of commerce' to non-parties. Until the customs union came into effect, Turkey had no quantitative restrictions on textiles and clothing, and maintained relatively low import tariffs on the 19 product categories affected by the quotas.

India challenged the quotas as inconsistent with Turkey's obligations under Articles XI and XIII of the GATT (elimination and non-discriminatory administration of quantitative restrictions), as well as Article 2 of the Agreement on Textiles and Clothing (ATC). India also opposed Turkey's interpretation that they were justified by GATT Article XXIV (provisions on free trade areas and customs unions).

The panel upheld the Indian position. Referring to the banana case, it noted the Appellate Body's finding that 'unless explicitly authorised [by a waiver], the provisions of the Lomé Convention could not alter the rights and obligations of WTO Members', and concluded that 'even if the Turkey-EC customs union agreement did require Turkey to adopt all EC trade policies [...] we consider that such requirement would not be sufficient to exempt Turkey from its obligations under the WTO Agreement'.

The panel also noted that although Article XXIV provides for the renegotiation of tariffs which are increased above their bindings upon the formation of a customs union, it contains no provisions regarding quantitative restrictions. The panel thus concluded that 'Members cannot impose otherwise incompatible quantitative restrictions' as a result of a customs union. It further observed that Turkey had other, WTO-consistent means for securing its objectives regarding the customs union, including increased tariffs, rules of origin, early phase-out, and tariffication. The panel also made clear that GATT Article XXIV:8(a)(ii) should be interpreted to allow parties to form a customs union even when one constituent member is entitled to impose quantitative restrictions under a special transitional regime and the other constituent is not (all WTO Members must phase out textile and clothing quotas by 2005 under the ATC).

*Turkey – Restrictions on Imports on Textiles and Clothing Products* is the first panel report to spell out that a country joining a regional trade arrangement is, in general principle, bound by all WTO obligations, unless there are conflicts between any provisions. In this case, the panel found that the relevant provisions of Article XXIV only authorised violation of the most-favoured-nation obligation, but not of GATT Articles XI and XIII – or ATC Article 2.4 – which clearly prohibit the introduction of quantitative restrictions. The ruling, which has not yet been adopted by WTO Members, could lead to increased entry of Indian textile products into European Union through Turkey.

**US Safeguard Measure Condemned by TMB**

In related news, the WTO's Textiles Monitoring Body – which oversees the implementation of the Agreement on Textiles and Clothing – on 25 June confirmed its earlier recommendation that the US rescind its safeguard measure on Pakistani combed cotton yarn. The measure, in effect since 17 March, imposes an annual restraint of 5.26 million kilograms on the yarn. It was established following a US government investigation which showed that imports of Pakistani cotton yarn had increased 'significantly' between 1996-1998, thus causing 'serious damage or threat of damage' to domestic yarn manufacturers. The TMB found in April that the US had not successfully demonstrated the damage, and recommended removal of the safeguard action. The Textiles Monitoring Body upheld this opinion in June after examining a US challenge of its analysis, which claimed that the TMB was influenced by Pakistan's 'misleading statements'. The US has not yet said whether it will comply with the finding, which is only a 'recommendation' rather than a 'ruling' issued by the Dispute Settlement Body. Observers say the case could end up in the WTO dispute settlement system if no action is taken on the TMB recommendation.

**Dispute Settlement Briefs**

- WTO arbitrators are expected to deliver their verdict on 12 July concerning the amount of trade sanctions the United States and Canada can levy on exports from the European Union in retaliation for the EU's not lifting its import ban on beef treated with growth hormones. The deadline for compliance with the Appellate Body ruling against the ban was 13 May, but the EU refused to rescind the embargo before the final results of its risk assessment on the hormones' safety are known sometime around the end of the year. Once WTO arbitrators have determined the amount, the complainants can apply their trade sanctions retroactively from 13 May.
- Talks on further changes to the EU's banana import regime are proceeding slowly between the EU and the complainants. A US response to the EU's May 26 options paper (see Bridges Year 3 No.4, page 6) indicates a clear preference for a tariff-only regime, but some EU countries continue to oppose the solution as they feel it would not sufficiently protect the banana exports of the developing country members of the Lomé Convention. The European Commission is expected to present a new proposal for a WTO-compatible regime in July. US trade sanctions will remain in force until such a regime is in place.
- At the request of the United States, a panel was established on 3 June on Australia's import ban on fresh or frozen Pacific salmon. The case is similar to the beef-hormone dispute, and the US is reportedly concerned that Australia might not lift the ban by 6 July when the 'reasonable period time' for implementation expires.
- The United States and Japan have agreed that the latter will implement the Appellate Body ruling condemning its multiple testing requirements for imported apples and other fruit by 31 December 1999. The Appellate Body found the requirements inconsistent with the SPS Agreement because they were not based on a proper risk assessment.

**APEC Sends Second Package to WTO**

APEC (Asia Pacific Economic Co-operation) trade ministers were hoping to adopt a unified position on the upcoming WTO talks when they met in Auckland in late June, but the 21 developed and developing member economies only agreed to push for negotiations to be conducted on industrial tariffs as well as the built-in agenda of agriculture and services. In contrast, they failed to forge a consensus around a new early tariff reduction package consisting of six sectors: oilseeds, food, rubber, fertilisers, civil aircraft and automobiles.<sup>1</sup>

These sectors represent the second 'tranche' of the Early Voluntary Sectoral Liberalisation (EVSL) initiative that APEC leaders agreed to pursue in 1997. APEC-wide liberalisation in the 15 EVSL areas was thought to encourage non-APEC countries to join the initiative in order not to be shut out from a market comprising half the world's trade, output and population. In Auckland, however, Japan, Russia, South Korea and Thailand balked on opening their oilseed and food sectors ahead of the WTO agricultural negotiations, leading the ministers to recommend that 'tariff elements of the remaining remaining six EVSL sectors should be negotiated in the WTO during the course of negotiations on agriculture already mandated in the WTO [...] and the negotiations on industrial tariffs which they agree should be launched at the third WTO Ministerial Meeting.'

This is the second time that APEC members turn to the WTO after a failure to secure agreement on a regional trade liberalisation deal. Last November, APEC countries did not manage to agree on starting early liberalisation on nine other EVSL sectors, and decided instead to seek multilateral backing for the initiative at the WTO (at the time, Japan wanted to carve out fisheries and forestry from the package, see Bridges Vol.2 No.8, page 13). New Zealand and other APEC countries are now pushing for eight of the nine sectors, known as the Accelerated Tariff Liberalisation (ATL) initiative, as a logical start for WTO negotiations on industrial tariff reductions. New Zealand is suggesting that those negotiations 'build on' ATL, and achieve 'early harvest' commitments and action before the conclusion of the Seattle Round (see page 4).

It will not be easy to convince other WTO Members that either the ATL sectors or the additional package of six sectors should be prioritised during the WTO talks: many developing countries firmly oppose including industrial tariffs in the new round, and several other WTO Members are committed to a 'single undertaking' approach where all issues under negotiation are addressed simultaneously and the results are adopted as a comprehensive package. In addition, the support of those APEC members that have refused to back the two initiatives in full is likely to be lukewarm in the multilateral context as well, particularly as all the controversial sectors – fish and forest products, oilseeds and food – will be dealt within the difficult framework of the WTO agricultural negotiations (see new Japanese proposals on fisheries and forestry negotiations on page 7).



<sup>1</sup> APEC members include Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong, Indonesia, Japan, Korea, the Philippines, Russia, Singapore, Thailand, Taiwan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the United States and Vietnam. The Association of Southeast Asian Nations (ASEAN) Secretariat, the Pacific Economic Cooperation Council (PECC) and the South Pacific Forum (SPF) have observer status.

**Mercosur and EU Will Start Free Trade Talks**

Gathered for a summit meeting in Rio de Janeiro from 28-29 June, European and Latin American leaders agreed to launch free trade negotiations between the EU and Mercosur next November. In principle, the two sides will gradually liberalise bilateral trade in all sectors, including agriculture and services. No timetable was set for the conclusion of the negotiations. Delegates will meet in November to start shaping the negotiation agenda and initiate discussion on the removal of non-tariff barriers. Talks on tariff reductions will not start until 1 July 2001, and trade diplomats doubt that any two-way tariff concessions will be made until the WTO negotiations are completed.

It was touch and go for the EU's commitment on the trade deal until the last minute, as a handful of members led by France refused to grant a negotiating mandate to the European Commission. French farmers' opposition has scuttled earlier attempts to reach an EU-Mercosur agreement. Compromises in the timing and a reference to the primacy of the WTO negotiations were necessary to achieve an intra-European consensus on the process.

Mercosur officials made it clear that the EU must be prepared to make concessions in the agricultural sector as pre-condition for bilateral trade talks. They would also like the negotiations to be concluded before 2005, when the Free Trade Area of the Americas (FTAA) is scheduled to be launched. Besides access to the EU's agricultural markets, Mercosur members hope that simultaneous negotiations with the European Union will strengthen their hand vis-à-vis the US in the FTAA process. Commenting on the EU-Mercosur initiative, Brazilian President Fernando Henrique Cardoso said: 'We will continue discussions with the FTAA, only now we will have more alternatives'. The EU is equally keen to maintain a significant commercial relationship with Latin America's most powerful trading block, particularly in the area of services.

Mercosur groups Argentina, Brazil, Paraguay and Uruguay. Chile, as an associate Mercosur member, will also take part in the talks.

**FTAA Civil Society Commission Debates Report**

The Committee of Government Representatives on the Participation of Civil Society on the Free Trade Area of the Americas met on 17-18 June to discuss how to proceed with regard to the proposals and views submitted to it by civil society and private sector groups (see Bridges Year 3 No.3, page 10).

Delegates reviewed a first draft of the report on the submissions. Discussions ranged from what should be included in the final version of the report, including whether it should be purely factual or contain recommendations for next steps. Mexico attempted without success to exclude 'non-trade-related' (i.e., labour, gender, the environment) submissions from the final report and reserved the right to debate the need to continue the Committee in the future.

Delegates agreed that there should be both national and hemispheric civil society consultations. The Committee Chair, Kathryn McCallion from Canada, will circulate a new draft report on the submissions at the end of July for discussion and approval at the Committee's next meeting on 2-3 September in Miami. Ultimately, the report will be presented to the FTAA Trade Ministerial in Toronto on 3-4 November 1999.

## Two Steps Forward, Two Steps Back in Transatlantic GMO Feud

Biotechnology will undoubtedly become *the* major transatlantic trade irritant and one likely to dwarf the current disputes on bananas and beef between the United States and the European Union. The two trading blocks have locked horns on the issue at the Biosafety Protocol negotiations, at the Codex Alimentarius Commission and the WTO's Technical Barriers to Trade Committee.

In an effort to defuse some of the tension, EU and US leaders at their semi-annual summit meeting on 21 June launched a biotechnology pilot project, under which their regulators will monitor the approval process for a genetically engineered plant variety simultaneously submitted for authorisation in both blocks. The TEP Biotechnology Working Group will also seek to improve co-ordination between US and EU regulators through information exchange concerning their respective scientific review processes and documentation needs prior to the commercialising transgenic plants.

The pilot project was undertaken under the Transatlantic Economic Partnership Initiative (TEP) – a scaled-down version of the New Transatlantic Market Place initially proposed by Sir Leon Brittan more than a year ago to 'kickstart' the upcoming multilateral trade negotiations through major mutual trade liberalisation commitments. While there have been few of the latter, the TEP aims to reduce regulatory and technical barriers to trade between the EU and the US. As a result of the summit, the two will start developing principles and guidelines to improve the transparency of their regulatory processes. In the coming months, regulators will target their efforts to removing technical barriers to trade in marine safety equipment, cosmetics, measurement and calibration, and road safety equipment.

### Early Warning System for Trade Disputes

Another initiative that could contribute to easing trade friction was the leaders' commitment to set up an 'early warning and problem prevention mechanism'. The TEP Steering Group will be responsible for the trade and investment component of the new system. According to the summit statement, the initiative is intended 'to improve the capacity of each side to take the other side's interests into account at an early stage when formulating policy, legislative, or regulatory decisions, without thereby limiting each side's existing decision-making autonomy'. The text specifies, that the mechanism will be 'without prejudice to the parties' rights and obligations relating to international dispute settlement, notably under the rules of the World Trade Organisation'. In addition to increased information exchange and discussion between government officials, the project foresees the involvement of the TEP advisory bodies – the Transatlantic Dialogue's between legislators, business representatives, consumer organisations, environmental groups and labour – in 'identifying problems and offering proposals for resolution'.

### Two Steps Back

The US is sure to view as a step back the EU environment ministers' stand on the deliberate release in the environment of genetically modified organisms (GMOs). While the Environment Council resisted a push by several EU countries for an outright ban on GMO authorisations until Directive 90/220 on the deliberate release of such organisms has been revised and adopted by the EU Council of Ministers and the Parliament, the decision adopted on 25 June could amount to a *de facto* moratorium on approving genetically engineered seeds until a new licensing law is in place. The revision of Directive 90/220 has been under-way for two years, and the new regime is not expected to be fully implemented until 2002 (see Bridges Year 3 No.3, page 9).

Responding to acute public pressure, the Environment Council's 'political agreement' – reached with three moratorium-supporters abstaining – foresees strict new licensing and monitoring requirements for genetically altered crops. Although it does not impose a moratorium on their approval, at least France, Italy, Greece, Denmark and Luxembourg said they would block new approvals in the Council of Ministers until the revision is complete.

US Trade Representative Charlene Barshefsky told the Senate Agriculture Committee on 24 June that the administration was considering a WTO case against the EU because its GMO crop approval process was 'completely broken'. It is not clear whether the Environment Council's refusal of a formal moratorium will

be enough to avoid a trade dispute, but EU officials expressed confidence that the revised approval process would be WTO-consistent.

EU environment ministers also requested the European Commission to look again at the question of establishing a separate liability regime for environmental or health damage caused by GMOs. The Commission had earlier rejected a similar request from the European Parliament.

Meanwhile, two initiatives that could have paved the way for more compatible approval processes have recently been defeated: other EU members rejected a German proposal to set up an independent agency for approving GMOs to be released in the environment within the European Union, and the G-8 Summit refused a French suggestion to establish a Global High Scientific Council for Food Safety to 'study and validate' new products and novel foods' (see page 3). The EU's GMO approval process is currently handled by the European Commission, which critics say is too politicised to make scientifically sound decisions. At the global level, similar criticism has been levelled against the Codex Alimentarius Commission, which sets food safety standards recognised as valid bases for WTO-consistent trade restrictions.

GMOs can be placed on the Community market 'only where possible objections have been answered or a decision has been taken by committee procedure and if the lead competent authority is not opposed to the proposed placing on the market. Consent is given following extensive consultation (public, scientific committees) and for a maximum period of 10 years for the initial consent.'

'Additional procedures are foreseen for the renewal of consents and the handling of consents given under the existing Directive, and for monitoring and handling of new information and objections to GMOs which have already received consents'.

'As for labelling, it must be stated clearly that "this product contains genetically modified organisms". The compromise allows threshold levels to be established for each product concerned by the Commission'.

*Excerpted from the report of the EU Environment Council session held on 24-25 June 1999.*

## NAFTA Environment Council Meets as Yet Another Expropriation Dispute Clouds Horizon

A new health/environment-related dispute has erupted under NAFTA Chapter 11, which allows investors to sue foreign governments for measures 'tantamount to expropriation'. The Canadian Methanex Corporation is seeking US\$970 million in damages from the United States to compensate for the 'expropriation of its business interests' caused by a California ban of the fuel additive MTBE (methyl tertiary butyl ether). Methanex's US investments include a company in Dallas and a production plant in Fortier, Louisiana.

MTBE is a methanol-based component of reformulated gasoline, and methanol is Methanex's only product. While clean air regulations often require the use of reformulated gasoline because it decreases tailpipe emissions of motor vehicles, MTBE can be replaced by corn-based ethanol in its composition. The California MTBE ban is based on groundwater contamination by the substance, which is classified as a potential human carcinogen by the US Environmental Protection Agency. Methanex claims there is no evidence that MTBE has 'any adverse impact on human health at reasonably expected exposure levels', citing, *inter alia*, a 1998 International Agency for Research on Cancer finding that MTBE is 'not classifiable' as a human carcinogen. The company also maintains that MTBE is an important component of environment-friendly vehicle fuels, and that the Californian groundwater contamination should be remedied by ensuring that no gasoline – whether it contains MTBE or not – is leaked to the soil or water systems.

The US-based Ethyl Corporation won a similar case against the Canadian government in July 1998, and at least two other cases involving environmental regulations are currently pending between US businesses and the Mexican and Canadian governments. In the Ethyl case, Canada paid the company US\$13 million in compensation and repealed its ban on the gasoline additive MMT, claiming there was insufficient scientific evidence to support its maintenance (see Bridges Vol.2 No.6, page 8).

The potential for disputes such as these was a major catalyst for environmental and consumer groups' opposition to the failed Multilateral Agreement on Investment (MAI). These groups claimed the MAI would be modelled on NAFTA's investor-state expropriation and compensation provisions, which would allow corporations to challenge – and weaken – governmental health and environmental regulations. In April, Canada sought an 'interpretative statement' from NAFTA trade ministers that legitimate government regulatory activity could not be considered as a measure 'tantamount to expropriation', but the attempt failed largely due to Mexican opposition (see Bridges Year 3 No.3, page 9). Canada is currently trying to reach a bilateral understanding on the issue with the United States, although officials admit that this is a weaker solution than a trilateral interpretation or an amendment of the NAFTA provision itself.

On 22 June, the International Institute for Sustainable Development released a new report entitled *NAFTA's Chapter 11 and the*

*Environment*, which details and analyses known cases filed under Chapter 11. According to the report's lead author Howard Mann, Chapter 11 provisions – designed to ensure security and predictability for investors – have become 'a strategic offensive weapon against new environmental and public welfare laws' for corporations. 'No one expected them to be applied in this way,' Dr Mann said.

**'The California Governor's Order to ban the use of MTBE in that state unfairly targets MTBE in what are really broader gasoline and water resource issues. We are confident we have a valid claim for damages under the NAFTA. Our claim is related to expropriation. The NAFTA requires that an expropriating party meet certain obligations including fair and equitable treatment and the payment of compensation, which California did not meet.'**

*Pierre Choquette, Methanex President and CEO*

The report strongly recommends the adoption of a binding 'interpretative statement', which would exclude non-discriminatory environmental measures from the Chapter 11 expropriation provisions, recognise that environmental purposes may justify distinctions in treatment of investors and be legitimate reasons for non-compliance with national treatment and MFN obligations, and clarify the relationship between environmental trade measures and 'performance requirement' prohibitions under Chapter 11. The report also urges NAFTA members to improve the transparency of investor-state disputes, and recommends involving the Commission on Environmental Co-operation in the reform process.

## Environment Ministers Steer Clear of Controversy

Meeting from 27-29 June in Banff, the Council of NAFTA's Commission on Environmental Co-operation (CEC) reviewed 'efforts to help governments formulate actions and policies that minimise potential conflicts, while promoting positive interactions between trade liberalisation and environmental protection'. The Council, which consists of the American, Canadian and Mexican environment ministers, also met with the Joint Public Advisory Committee, a group of 12 civil society representatives from the three member countries.

According to a CEC press release, the Council reaffirmed the importance of making trade and environment mutually supportive. It announced the first ever North American Symposium on Understanding the Linkages between Trade and Environment, to be held in October 2000. In preparation for the conference, the Council released a *Final Analytical Framework for Assessing the Environmental Effects of NAFTA* and issued a call for papers encouraging academics, researchers and policy experts to test the NAFTA effects framework for specific situations.

On the investment controversy, the Council recognised 'the sovereign right of governments to legislate in the area of the environment', and offered 'any assistance required' by the Free Trade Commission in its deliberations on NAFTA Chapter 11.

The Council also announced the development of a North American Regional Action Plan (NARAP) to reduce releases into the environment of dioxins, furans and hexachlorobenzene, all of which are powerful chemical pollutants that present serious health risks, particularly to children. In addition, the Council will develop an environmental monitoring and assessment action plan in support of the sound management of chemicals.

Contact: Corrie Castelló, CEC Secretariat, tel: (1-514) 350-4300, fax: 350-4314, Internet: <http://www.cec.org>

## No Moratorium Recommended on 'Terminator' Seeds

To the disappointment of most developing country governments and non-governmental organisations involved agricultural biodiversity issues, the 21-25 June session of the Subsidiary Body on Scientific, Technical, and Technological Advice (SBSTTA) of the Convention on Biological Diversity (CBD) did not recommend an international moratorium on commercial field-testing of 'sterile' seeds. The meeting was convened to elaborate recommendations on for the consideration of the next Conference of the Parties of the Biodiversity Convention, to be held in May 2000 in Nairobi.

### Genetic Use-restriction Technologies

The intense debate on genetic use-restriction technologies (GURTs) essentially opposed developing countries and Norway to the United States and Canada. Australia and New Zealand leaned towards the North American position while EU countries were more sympathetic to the developing country position. In order to ensure food security and crop diversity through farmers' right to save and reuse seed, the latter wanted a moratorium on field-testing of new technologies that genetically modify grain seeds so they do not sprout if replanted from last year's crop. India has already banned GURTs, popularly known as Terminator or Verminator seeds, and other countries are reportedly considering similar action.

The new technologies – still in their experimental phase – represent considerable commercial interests to the handful of North American and European companies that hold patents on them, as they can be used to ensure that seeds for the highest-yield varieties must be bought annually. These companies could exert substantial pressure on governments to contest any import bans at the WTO, whereas a moratorium on the commercial use of field testing of GURTs under a multilateral environmental agreement would make such restrictions much less vulnerable to challenge.

The draft recommendation adopted by the SBSTTA (UNEP/CBD/SBSTTA/4/L.5) does not call for an international moratorium, but a preambular paragraph recognises that, subject to national legislation, any country may establish a moratorium. However, at the insistence of Australia the recommendation comes with a direct reference to WTO rules by highlighting CBD Article 22, which provides that nothing in the Convention shall 'affect the rights and obligations of any Contracting Party deriving from any existing international agreement'. Trade restrictions on GURTs thus remain open to a WTO challenge, particularly by non-Parties to the Convention, such as the US. Disagreement on provisions regarding 'other international obligations' and the treatment of non-Parties was among the principal reasons for the suspension of the Biosafety Protocol negotiations in Cartagena last February (see Bridges Year 3 no.2, page 11).

In addition to the moratorium issue, the SBSTTA text recommends that GURTs only be approved for field-testing when 'appropriate scientific data can justify such testing', and that authorisation for commercial use be delayed 'until appropriate, authorised and strictly controlled scientific assessments' are available.

The US formally put on record that it could not associate itself with any implicit call for a moratorium on testing or commercialisation of genetic use-restriction technology. New Zealand stated it could only accept the right of Parties to establish a moratorium on GURTs if the clause referred to 'uncontained' field testing.

The SBSTTA will meet again from 31 January to 4 February 2000.

### Benefit-sharing and TRIPs

The SBSTTA meeting was followed on 28-30 June by an Intersessional Meeting on the Operations of the Convention. On behalf of the African Group Mali suggested negotiating a protocol on access to genetic resources and benefit-sharing. Together with conservation and sustainable use of biological diversity, equitable benefit-sharing is one of the three pillars of the CBD. According to Mali, the new protocol should reflect the FAO's International Undertaking on Plant Genetic Resources, which is currently under revision to make the administration of FAO-controlled germplasm collections compatible with the provisions of the CBD (see Bridges Year 3 No.3, page 13). This proposal was not generally supported.

Instead delegates focused on drafting a work programme for the Expert Panel on Access and Benefit-sharing, which will meet for the first time in Costa Rica in October 1999. Among recommended agenda items for the new panel are 'access and benefit-sharing for scientific and commercial purposes, including review of existing access and benefit-sharing contractual arrangements', as well as intellectual property right legislation and *sui generis* systems.

The relationship between the WTO's TRIPs Agreement and the CBD was a separate topic that drew lively comments. Together with many other developing countries, Mexico stressed the importance of *sui generis* systems, biodiversity protection and sovereign rights over biological resources, and both the African Group and India highlighted TRIPs' potential to endanger farmers' rights and the implementation of the Biodiversity Convention. Cameroon suggested requesting the TRIPs Council to defer decisions reviewing patent excludability until after the CBD's Conference of the Parties in May 2000, and recommended inviting the Council to address potential conflicts with the CBD including *sui generis* protection of plant varieties and the right of countries to exclude plants, animals, micro-organisms and any parts thereof and microbiological processes for animal and plant production.

The final decision on the subject (UNEP/CBD/ISOC/L.4) emphasises the importance of exploring the implications of intellectual property rights on biodiversity and equitable benefit-sharing, and calls for the CBD Secretariat to achieve observer status with the Council for TRIPs as a matter of urgency. The CBD's next Conference of the Parties should consider whether it would be appropriate to invite the WTO to acknowledge relevant CBD provisions and to explore the relationship between TRIPs and the CBD, particularly regarding the rights of indigenous communities and *sui generis* protection systems. The decision also calls on governments to closely follow work done by the WTO and the World Intellectual Property Organisation (WIPO) on intellectual property protection related to traditional knowledge.

### Biosafety Protocol Negotiations to Resume in September

Delegates decided to hold an informal consultation on the Biosafety Protocol next September with a view to concluding negotiations before the Nairobi Conference of the Parties next May. They also agreed not to open already agreed provisions of the draft Protocol, but to concentrate instead on those clauses where consensus is still lacking, including the scope of the Protocol and its relationship with other international treaties.

Contact: CBD Secretariat, tel: (1-514) 288-2220, fax: 288-6588, e-mail: [secretariat@biodiv.org](mailto:secretariat@biodiv.org), web: <http://www.biodiv.org>.

**OECD Steps up Work on Biotechnology**

Meeting from 6-9 June in Paris, the OECD's Working Group on Harmonisation of Regulatory Oversight of Biotechnology adopted a new work programme scheduled to run until 2002. Because OECD members include both proponents of liberal genetic engineering policies – such as Canada and the United States – and countries that heavily regulate the use of genetically modified crop seeds or products – such as the European Union and Norway – the Working Group has up to now done little actual 'harmonisation of regulatory oversight', as its name would indicate. Instead, it has provided science-based consensus documents designed to assist national regulators in conducting their own environmental risk assessments. In the next three years, the Working Group will move a step closer to bridging the gap between the 29 member nations with the compilation of a new study on the risk assessment criteria and methodology used by member countries' regulatory agencies.

The OECD has also created a Task Force for the Safety of Novel Foods and Feeds to produce Consensus Documents on specific crop plant species to complement the Biology Consensus Documents developed by the Working Group on Harmonization of Regulatory Oversight in Biotechnology, which are used in environmental biosafety assessment. The task force is scheduled to meet for the first time in September.

At their meeting in June, the heads of state of the G-7/G-8 countries requested both groups 'to undertake a study of the implications of biotechnology and other aspects of food safety', and to report to next year's Summit 'on possible ways to improve our approach to these issues through international and other institutions, taking into account the reflections underway in other fora' (see page 3).

The first issue of the bi-annual *OECD Biotechnology Update* newsletter was published on 21 May 1999. The publication seeks to keep OECD delegates who are involved in biotechnology activities informed about OECD's biotechnology events and activities. For more information, see OECD's new biotechnology website at <http://www.oecd.org/ehs/icgb/biodiv.htm>

**US Drops Demand for Safe BST Standard at Codex**

In a surprise move, the United States gave up its decade-long struggle to have the Codex Alimentarius Committee adopt an international standard on residues of BST (bovine somatotropin) during the food safety standard-setting agency's annual meeting held in Rome from 28 June to 3 July. BST, a synthetic hormone used to boost milk production in dairy cows, is currently banned in Europe and Canada. The US had previously insisted that scientific studies had revealed no adverse human health effects from milk or meat of cows treated with BST, and pushed for a Codex standard indicating the product was safe. Contrary to expectations, at the meeting in Rome it asked that no standard on BST be adopted as no consensus existed on the US proposal.

Other issues on the meeting agenda were principles of risk analysis; consideration of proposals to elaborate new standards; and consumers' involvement in the Commission's work. For background, see Bridges Year 3 No.4, page 1. The outcome of the meeting will be reported in the July-August issue of Bridges.

Contact: Codex Alimentarius Commission, Joint FAO/WHO Food Standards Programme, FAO, fax: (39-06) 5705-4593, e-mail: [Codex@fao.org](mailto:Codex@fao.org)

**ILO Adopts Convention on Child Labour**

The ILO's International Labour Conference on 17 June unanimously adopted the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour. The Convention is the culmination of years of effort to come up with a binding international agreement targeting such practices as child slavery, forced labour, trafficking, debt bondage, serfdom, prostitution and pornography, as well as various forms of hazardous and exploitative work. It will apply to all children under the age of 18, and enter into force 12 months after two ILO Members have ratified it. Parties to the Convention must adopt immediate, effective measures to ban and eliminate the worst forms of child labour.

The worst forms of child labour include:

- All forms of slavery and practices similar to slavery, such as the sale and trafficking of children, forced or compulsory labour, debt bondage and serfdom;
- The use, procurement or offering of a child for prostitution, production of pornography or pornographic performances;
- The use, procurement or offering of a child for illicit activities, in particular for the production and trafficking of drugs;
- Work which [...] is likely to jeopardise the health, safety or morals of children.

According to ILO estimates, some 250 million children under 14 work in developing countries alone, and some 50 to 60 million children between the ages of five and 11 are working worldwide in circumstances that could be termed hazardous. The ILO also reports a worsening situation in the sale and trafficking of children across national borders by organised networks for prostitution and for hazardous jobs in construction, small shops, factories and domestic service. In many cases, children in these situations are confined to the workplace and treated like slaves.

Two important compromises were necessary before consensus could be found on the Convention text: the US and the UK insisted that the treaty leave open the possibility of voluntary enlistment of people under 18 into the military (both recruit 17-year-old volunteers), although the Convention does prohibit forced recruitment of children for use in armed conflict. Several developing countries successfully campaigned for the exclusion of work that deprives children of education from the list of 'worst forms of child labour', arguing that the goal was unrealistic.

**Labour and the WTO**

Contrary to some expectations, President Clinton, who addressed the conference on 16 June, did not call for an explicit link between trade and labour in the next round of WTO negotiations. Instead, he stressed the importance of ensuring that ordinary workers benefit from free trade and globalisation. 'As we prepare to launch a new global round of trade talks in Seattle in November, it is vital that the WTO and the ILO work together to advance that common goal,' he said. President Clinton also singled out Myanmar (formerly Burma) as a country that 'stands in defiance of the most fundamental values and most serious findings' of human and labour rights violations, and called on the ILO's governing body to 'take definite steps'. Mr Clinton's speech left it unclear how the United States intends to go about establishing the 'forward work programme' on trade issues relating to labour standards, which it has proposed as one of its overall negotiation goals for the upcoming trade talks (see Bridges year 3 No.1, page 1).

## New Project on Environmentally-sound Trade Expansion

The Dante B. Fascell North-South Center, the Unit for Sustainable Development and the Environment at the Organisation of American States and the International Centre for Trade and Sustainable Development are co-sponsoring, with the support of the United States Agency for International Development, a project designed to promote research and dialogue among government, the private sector and other civil society representatives on environmentally-sound trade expansion in the Western Hemisphere. The project consists of three major components: 1) a series of policy-relevant White Papers; 2) a multi-sectoral dialogue in Miami; and 3) a policy-relevant report based on the research and dialogue, to be distributed in major trade and sustainable development policy forums in the Americas.

Themes for this project have been chosen from the wide-ranging discussions on the relationship between trade and the environment. This thematic set has been chosen in such a way as to direct attention on the most promising areas for the so-called 'triple-win' scenario, in which policy action would simultaneously support the goals of trade liberalisation, protection of the environment, and economic and social development; that is, a coherent approach that represents the principal framework of sustainable development – a goal to which the Western Hemisphere democracies committed themselves at the highest levels through the Summit of the Americas Process, and membership in the World Trade Organisation.

At the Summit of the Americas in Miami in 1994, 34 heads of government committed their nations to the creation of a Free Trade Area of the Americas (FTAA) by 2005 within the wider framework of sustainable development. Subsequent summit meetings have reiterated the commitment by leaders in the Americas to move forward on trade integration and sustainable development. At the broader policy level, however, environmental issues have generally been treated on a separate track from the trade integration process, and little progress has been realised in the FTAA through the Committee of Government Representatives on the Participation of Civil Society, or through the WTO's Committee on Trade and the Environment.

Yet, at a practical level, many decision-makers, both in the public and private sectors, have recognised and begun to exploit the advantages of integrating environmental sustainability into production and marketing strategies that will have long-term benefits for trade and international competitiveness.

On 28-29 October, 1999, the project sponsors will organise a meeting of technical specialists and policy experts in Miami to explore these positive strategies and analyse how market-based environmental innovations can be facilitated and enhanced in the broader policy arena. To the extent possible, emphasis will be placed on potentially positive linkages that suggest policies that can promote 'environmental competitiveness' principles that emphasise economic savings through practices such as clean production, and growing market demands and consumer preferences over tariff and non-tariff barriers. A framework for action to promote 'triple-win' scenarios may include such elements as: the role of specific actors, such as regional organisations; a balanced approach of regulations and the use of market-based instruments; and the greening of investment.

Contact: Robin Rosenberg, North-South Center, University of Miami, tel: (1-305) 284-8957, fax: 284-6370, e-mail: RRosenberg@miami.edu

# BRIDGES

Between Trade and Sustainable Development

*BRIDGES/PUENTES/PASSERELLES*

aim to provide information and analysis on the interface between trade and sustainable development for the growing number of actors involved in the debate worldwide. ICTSD and its partner organisations gratefully acknowledge the support of the Swiss Federal Government (BAWI) for Bridges, and the John D. and Catherine T. MacArthur Foundation for Puentes and Passerelles.



INTERNATIONAL CENTRE FOR  
TRADE AND SUSTAINABLE  
DEVELOPMENT

*BRIDGES Between Trade and Sustainable Development* is published monthly by the International Centre for Trade and Sustainable Development.

Director: Ricardo Meléndez-Ortiz  
Editor: Anja Halle  
Associate Editor: Caroline Dommen  
Address: 13 chemin des Anémones  
1219 Geneva, Switzerland  
Tel: (41-22) 917-8492  
Fax: (41-22) 917-8093  
E-mail: ictsd@ictsd.ch  
Web: http://www.ictsd.org



**FUTURO**  
LATINOAMERICANO

*PUENTES Entre el Comercio y el Desarrollo Sostenible*, the Latin American edition of *BRIDGES*, is published bi-monthly in collaboration with Fundación Futuro Latinoamericano.

Co-ordinator: Nicolas Lucas  
Associate Editor: María Amparo Albán  
Address: Casilla 17-17-558  
Quito, Ecuador  
Tel. and fax: (593-2) 451-822/463-503,  
and 456-521.  
E-mail: ffla1@fulano.org.ec



**enda-tiers monde**

*PASSERELLES entre le commerce et le développement durable*, the French edition of *BRIDGES*, is published bi-monthly in collaboration with ENDA-Tiers Monde.

Co-ordinator: Taoufik Ben Abdallah  
Address: B.P. 3370  
Dakar, Senegal  
Tel: (221) 821-7037  
Fax: (221) 822-2695  
E-mail: syspro2@enda.sn  
Web: http://www.enda.sn

The opinions expressed in signed contributions to *BRIDGES/PUENTES/PASSERELLES* are the authors' and do not necessarily reflect the views of ICTSD. Material from these publications can be used in other publications with full academic citation.

## BRIDGES Weekly Trade News Digest

To subscribe to ICTSD's weekly summary of trade news relevant to the environment and development communities, please send e-mail to: Majordomo@igc.apc.org. Leave the subject line blank. In the body of the message write: subscribe tradedev. For fax and mail copies contact ICTSD. Also available on the ICTSD Web site.



All WTO meetings take place in Geneva. Dates are subject to change, please contact the WTO for confirmation.  
Internet: <http://www.wto.org> (All WTO phone and fax numbers start with (41-22) 739. Only extensions are provided in this list.)

July 7-8	WTO Committee on Trade and Development Contact: Chiedu Osakwe, tel: 5250, fax: 5774	September 27-28	WTO Trade Policy Review Body: Philippines Contact: Clemens Boonekamp, tel: 5226, fax: 5765
July 7-8	WTO Committee on Phytosanitary and Sanitary Measures Contact: Gretchen Stanton, tel: 5086, fax: 5760	September 29-30	WTO Committee on Agriculture Contact: Paul Shanahan, tel: 5095, fax: 5760
July 7-8	WTO Council for TRIPs Contact: Matthijs Geuze, tel: 5418, fax: 5790	Sept. 30 - Oct. 1	WTO Committee on Technical Barriers to Trade Contact: Vivien Liu, tel: 5455, fax: 5774
July 12	WTO Sub-Comm. on Least-developed Countries Contact: Ingela Nilsson, tel: 5230, fax: 5774	October 6	WTO General Council Contact: Paulo Barthel-Rosa, tel: 5095, fax: 5761
July 12 & 14	WTO Trade Policy Review Body: United States Contact: Clemens Boonekamp, tel: 5226, fax: 5765	October 6-7	WTO Working Group on Transparency in Government Procurement Contact: Vesile Kulaçoglu, tel: 5187, fax: 5790
July 12-16 Rome	Sixt Session of the Prior Informed Consent (Rotterdam) Convention Contact: UNEP Chemicals, tel: (41-22) 917-1111	October 7	WTO Committee on Trade and Development Contact: Chiedu Osakwe, tel: 5250, fax: 5774
July 15	WTO General Council Contact: Paulo Barthel-Rosa, tel: 5095, fax: 5761	October 11-13	WTO Committee on Regional Trade Agreements Contact: Jorge Viganó, tel: 5078, fax: 5774
July 15	WTO Committee on Rules of Origin Contact: Eki Kim, tel: 5584, fax: 5770	October 12-13	WTO Committee on Trade and Environment Contact: Doaa Abdel Motaal, tel: 5875, fax: 5620
July 19-20	WTO Council for Trade in Services Contact: A.-Hamid Mamdouh, tel: 5435, fax: 5771	<p style="text-align: center;"><b>PUBLICATIONS AND RESOURCES</b></p> <p>Caillaux Zazzali, Jorge and Ruiz Muller, Manuel (eds.). 1998. <u>Acceso a recursos genéticos – propuestas e instrumentos jurídicos</u>. Sociedad Peruana de Derecho Ambiental. Lima</p> <p>Cantos, Eduard. 1999. <u>El porqué del comercio justo</u>. Icaria Editorial. Barcelona</p> <p>Mann, Howard and von Moltke, Konrad. 1999. <u>NAFTA's Chapter 11 and the Environment: Addressing the Impacts of the Investor-State Process on the Environment</u>. International Institute for Sustainable Development. Winnipeg (also available at URL <a href="http://iisd1.iisd.ca/trade/chapter11.htm">http://iisd1.iisd.ca/trade/chapter11.htm</a>)</p> <p>South Centre. 1999. <u>Financing Development: Key Issues for the South and Issues Regarding the Review of the WTO Dispute Settlement Mechanism</u>. South Centre. Geneva (also available at URL <a href="http://www.southcentre.org/publications/index.htm">http://www.southcentre.org/publications/index.htm</a>)</p> <p>WTO. 1999. <u>Fifty-sixth Meeting of the Textiles Monitoring Body. G/TMB/19. Report of the 23-24 June meeting that confirmed the TMB's condemnation of the US safeguard measure regarding Pakistani combed cotton yard</u>. WTO. Geneva</p> <p>WTO. 1999. <u>Argentina – Safeguard Measures on Imports of Footwear</u>. Report of the Panel. WT/DS121/R. WTO. Geneva</p> <p><a href="http://www.wto.org/wto/minist/seatmin.htm">http://www.wto.org/wto/minist/seatmin.htm</a> – New section of the WTO's internet site. Contains all proposals derestricted by Members in the Seattle Ministerial preparatory process, as well as press releases and media accreditation information.</p>	
July 19-21	WTO Textiles Monitoring Body Contact: J.-P. Lapalme, tel: 5223, fax: 5765		
July 19 & 21	WTO Trade Policy Review Body: Bolivia Contact: Clemens Boonekamp, tel: 5226, fax: 5765		
July 23	WTO Committee on Rules of Origin Contact: Eki Kim, tel: 5584, fax: 5770		
July 26	WTO Dispute Settlement Body Contact: Gabrielle Marceau, tel: 5519, fax: 5788		
July 28-29	WTO General Council Special Session (for the 3 <sup>rd</sup> Ministerial Meeting) Contact: Peter Pedersen, tel: 5848, fax: 5460		
September 15-16	WTO Council for TRIPs Contact: Matthijs Geuze, tel: 5418, fax: 5790		
September 20	WTO Committee on Rules of Origin Contact: Eki Kim, tel: 5584, fax: 5770		
September 20-21	WTO Council for Trade in Services Contact: A.-Hamid Mamdouh, tel: 5435, fax: 5771		
September 21	WTO Sub-Comm. on Least-developed Countries Contact: Ingela Nilsson, tel: 5230, fax: 5774		
September 27	WTO Committee on Rules of Origin Contact: Eki Kim, tel: 5584, fax: 5770		