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## NOTE TO SUBSCRIBERS

This is the last issue of ICTSD's *BRIDGES* Weekly Trade News Digest for the year 2000. The first issue of 2001 -- Vol. 5, No. 1 -- will be published on 16 January. The producers, together with the rest of the ICTSD team, would like to thank our reporting contributors all over the World and our funders for their critical assistance over the past year. We are grateful to our readers for their loyalty and feedback and send to you all our best wishes for the holiday season and 2001.

## DELEGATES LAUD 'MONTPELLIER SPIRIT' AT FIRST ICCP MEETING FOR THE BIOSAFETY PROTOCOL

Delegates met for the first Meeting of the Intergovernmental Committee (ICCP-1) for the Cartagena Protocol on Biosafety in Montpellier, France, from 11-15 December to discuss issues related to information sharing; capacity building; decision-making; handling, transport, packaging and identification; and compliance (see *BRIDGES* Weekly, 12-12-00, <http://www.ictsd.org/html/weekly/inbrief.12-12-00.htm>). Many hailed the congenial "Montpellier Spirit" which should help to build confidence and political momentum for the process, but also highlighted the significant hurdles that remain to be overcome, especially with regard to developing countries' capacities to implement the provisions of the Protocol.

With its focus on operational and technical matters, the meeting was able to temporarily set aside the tensions between trade and environment issues that have recently dominated many international meetings.

#### Capacity building, handling & transport

Regarding capacity building (Articles 22, 28), some delegates pointed to the varying levels of biosafety capacity in developing countries and called for inter-sessional work to assess national needs. Several capacity building priorities were mentioned, ranging from human resources to legislative, regulatory and institutional capacities. Delegates called on the Global Environment Facility (GEF) and the UN Environment Programme (UNEP) to accelerate implementation of the capacity building strategy which targets countries with basic capacity needs. They also asked UNEP and the Secretariat of the Convention on Biological Diversity (CBD) to convene an expert meeting to develop proposals for capacity building in preparation of the second ICCP meeting (ICCP-2), and invited submissions to the CBD Secretariat on capacity building needs and initiatives to be compiled for ICCP-2.

Delegates also discussed issues related to handling, transport, packaging and identification of living modified organisms (LMOs; Article 18). In contrast to the Protocol negotiations earlier this year when this agenda item almost led to the collapse of the talks, discussions at ICCP-1 were more subdued. Some thought that major LMO exporters were mainly concerned with ensuring that no discussion would take place before the mandated two years after the Protocol's entry into force. In their decision on inter-sessional actions, delegates invited governments and relevant international organisations to submit information on existing practices, rules and standards relevant to Article 18 to the CBD Secretariat by March 2001 to be synthesised for ICCP-2. In this context, delegates also emphasised the need to progress from simply avoiding conflicts with the WTO to actively co-ordinating with its standard-setting bodies.

#### Compliance Mechanism

With regard to compliance (Article 34), negotiations were mainly concerned with the nature of a compliance mechanism; triggering procedure; institutional mechanism and the role of the Meeting of the Parties (MOP); and consequences of compliance. Many delegates agreed that the Protocol's compliance mechanism should be non-confrontational, non-judicial, facilitative, transparent, equitable, reliable and timely. While NGOs called for robust sanctions to ensure that the provisions of the Protocol were adhered to, most countries favoured incentives and facilitative measures for compliance, with a particular emphasis on the special needs of developing countries. Delegates invited governments to submit their views to the Executive Secretary to be synthesised for consideration by an open-ended expert meeting to be held immediately prior to ICCP-2.

#### Biosafety Clearing House

Discussions on information sharing focused on the architecture of the Biosafety Clearing House (BCH) and implementation details for its pilot phase (Article 20). There was widespread agreement that the BCH should include all governments; address electronic and non-electronic information sharing; and be amenable to rapid development. In addition, it should incorporate on a priority basis: information for focal points for advance informed agreement (AIA), national legislation and risk

assessments; and incorporate information for Article 11.1 (information sharing). The link between information sharing and capacity building was frequently highlighted during the negotiations. In their decision on inter-sessional actions, delegates called for the pilot phase to be initiated as soon as possible. Observers expressed concern about the prospect that these mechanisms of implementation may follow what is seen as an unsuccessful pattern in the implementation of the mother convention, the CBD.

Delegates also discussed the duties, role and potential members of a Roster of Experts, and invited nominations of experts and governments' positions on the roster's development. The debate on decision-making mechanisms and procedures (Article 10) highlighted the continuing disagreement about whether LMOs are intrinsically hazardous, with some arguing that the Biosafety Protocol should learn from the experiences of the Basel and Rotterdam Conventions, both of which deal with the transport of unambiguously hazardous substances.

The Biosafety Protocol regulates the safe transfer, use and handling of LMOs that may have adverse effects on biodiversity, taking into account risks to human health, with a specific focus on transboundary movements. It was adopted as a supplementary agreement to the CBD on 29 January 2000. The second meeting of the ICCP will be held on 1-5 October 2001 in Montreal, Canada. Issues to be discussed include liability and redress; monitoring and reporting; Secretariat; guidance to the financial mechanism, rules of procedures for the MOP; issues for implementation; a draft provisional agenda for the MOP; and items for continued consideration from ICCP-1.

Additional information on the meeting and relevant documents can be found at: <http://www.biodiv.org/biosafe/protocol/iccp/iccp1/index.html>.

"UN to set up data centre on biosafety"; AGENCE FRANCE PRESS; 15 December 2000; Earth Negotiations Bulletin, Vol. 9, No 168-173; ICTSD Internal Files.

## **WTO HANDS DEVELOPING COUNTRIES 'MODEST, MEAGRE RESULT' IN IMPLEMENTATION**

The final 2000 meeting of the WTO General Council Special Session on Implementation last week (15-16 December), produced little in ways of progress for developing country demands at the global trade body. In what WTO Director-General Mike Moore termed a "modest, meagre result," Members essentially re-confirmed what was decided by the General Council in May 2000: that the Council would continue to meet in Special Sessions to address the various issues and concerns of developing countries (see *BRIDGES Weekly*, 9-5-00, <http://www.ictsd.org/html/weekly/story1.09-05-00.htm>). These are outlined in paragraphs 21 and 22 of the 19 October 1999 Draft Ministerial Text (see <http://www.ictsd.org/English/Declaration3.rtf>), and cover areas such as fuller implementation of previous commitments in textiles, subsidies and antidumping, as well as concerns over not being able to meet obligations from prior negotiations such as the Uruguay Round.

Some key developing country Members -- in particular Pakistan, Brazil and Egypt -- voiced dissatisfaction with the final decision emanating from the meeting, which deferred completion of the implementation process to "no later than the Fourth Session of the Ministerial Conference", expected in late 2001. Pakistan's ambassador to the WTO, Munir Akram, said that most of the

developing countries' concerns had not been addressed and the results were "modest indeed". The glass was not just half empty, he said, there was "barely any water in it". The decision did not address some of the more contentious issues currently being sought for resolution by developing countries, such as textiles or antidumping, where developing countries have demanded changes to existing WTO agreements in order to secure or gain better access for their goods in developed countries.

A package agreement on extending an implementation deadline for the Agreement on Trade-Related Investment Measures (TRIMs) for nine developing countries also continues to be held up, mostly by the US, which is resisting an across-the-board approach in favour of negotiating bilateral concessions (see *BRIDGES Weekly*, 21-11-00, <http://www.ictsd.org/html/weekly/story4.21-11-00.htm>). A decision has been postponed until early 2001, expected at the next meeting of the Goods Council on 2 February.

Moore expressed frustration with the slow movement on implementation issues from Members' capitals. "What we're talking about is an engagement, making some progress and then moving on," he said following the meeting. "But in the end, if a capital, major or minor, feels it cannot show any more space on an issue, that is for a sovereign government to decide."

Trade officials speculate that the slow progress could be due to negotiation strategy on the part of many delegations -- both developed and developing -- that remain reluctant to move on implementation outside of a broader context such as a new round of trade negotiations. "Some countries want to keep this [implementation] issue on the table as long as possible," said one trade source. "If all the concessions are granted now Members lose the ability to keep it as a bargaining chip in broader negotiations." Members failed to launch a new round last year in Seattle, when talks around the scope and content of a trade round were scuttled due to lingering disagreements among countries over a number of procedural and substantive issues. Some countries are pushing for a new round to be launched at the Fourth Ministerial next year, the venue of which remains a toss-up between Qatar, Chile, and Geneva.

A WTO Secretariat compilation of all implementation demands is due out in January 2001. The paper will summarise all implementation proposals and requests -- including those under paragraphs 21 and 22 of the 199 Draft Ministerial Text -- submitted thus far. General Council Chair Kåre Bryn indicated that he would continue to conduct informal consultations on the matter.

One of the only concrete decisions taken at the Special Session was to include Honduras among the list of countries with a per capita gross national product of less than \$US 1,000 which are granted exemptions under the WTO subsidies accord. Honduras was left out of the list by mistake. A reference to the General Agreement on Trade in Services (GATS) that called for the removal of administrative barriers impeding the implementation of Member commitments on the movement of natural persons was taken out of an earlier draft after the US delegation made its objection known to the Chair.

"Developing countries express disappointment at WTO talks," AFP, 15 December 2000; "WTO deal on TRIMs put off until early next year as differences remain," WTO REPORTER, 18 December 2000; WTO's Moore cites 'modest progress' on addressing implementation concerns," WTO REPORTER, 18 December 2000; ICTSD Internal Files.

## OZONE TALKS GO SMOOTHLY BUT FALL SHORT ON COMMITMENTS

From 11-14 December -- three months after the World Meteorological Organisation announced that an unusually rapid rate of ozone depletion above the Antarctica heralded the onset of summer in the Southern Hemisphere -- the 12th Meeting of the Parties (MOP-12) to the Montreal Protocol on Substances that Deplete the Ozone Layer convened in Ouagadougou, Burkina Faso to continue work towards full implementation of the Montreal Protocol and its amendments (see *BRIDGES Weekly*, 8-12-00, <http://www.ictsd.org/html/weekly/story2.08-12-99.htm>).

In attendance at the MOP-12 were over 300 delegates -- 400 fewer than MOP-11 -- representing member states, intergovernmental organisations and non-governmental organisations (NGOs), many of whom characterised the tone of the gathering as "easy going". Several delegates attributed the meeting's expeditious pace and smaller attendance to the flurry of multilateral environmental negotiations over the past weeks, notably the Kyoto Protocol COP-6 in November and the successful POPs Convention in Johannesburg two weeks ago. Moreover, some observers remarked that the presence of environmental NGOs was considerably less than it had been at previous MOP events.

On substance, delegates to MOP-12 adopted the Ouagadougou Declaration, which, though not binding, encourages parties to the Protocol:

- to take all necessary steps to prevent illegal production, consumption, and trade of Ozone Depleting Substances (ODS) and the equipment and products using them;
- to cooperate internationally and nationally in the areas of technology transfer, know-how and capacity building, and harmonisation of custom codes;
- to ratify and implement the amendments to the Montreal Protocol;
- to integrate ozone layer protection into socio-economic development programmes; and
- to adapt and apply regulations and pursue awareness-raising campaigns for the public and all stakeholders who use ODS and encourage adoption of more environmentally-sound alternatives.

Despite MOP-12's amenable tone, however, areas of controversy did arise, particularly with respect to an EU proposal to tighten the reduction commitment schedules of hydrochlorofluorocarbon (HCFC) use among developing countries. The proposal called on developing countries, *inter alia*, to expedite the phase-out of HCFCs by freezing HCFC consumption in 2007 to 2006 levels from their existing commitment to freeze consumption by 2016 to 2014 levels.

Not surprisingly, the Article 5 countries rejected the proposal, arguing that strengthening their existing reduction commitments would impede the competitiveness of domestic industries that rely on HCFCs. A compromise was reached, assigning to the Technology and Economic Assessment Panel (TEAP) the task of assessing the feasibility of more economically viable strengthening scenarios.

On trade, Poland introduced a draft decision to monitor the international trade of ODS and products containing ODS and to prevent and restrict illegal movements of these products. Several members

supported Poland's proposal, including Canada and the EU, and all agreed to initiate consultations with the UN Environment Program and TEAP on study options on labelling, product classifications and guidelines on customs procedures for importing and exporting ODS and products containing ODS.

Despite the fact that the Montreal Protocol is often heralded as one of the best examples of multilateral environmentalism, many fear that with its successes it may be losing the attention of the international policy community. These fears were reinforced at MOP-12 when some participants warned that the incoming US Bush Administration might assume a less active role in the Montreal Protocol, particularly regarding resource contributions and strengthened commitments.

MOP-13 will be held in mid-October 2001 in Colombo, Sri Lanka.

For a detailed summary of the proceedings, visit IISD Earth Negotiations Bulletin at: <http://www.iisd.ca/ozone/mop12/>.

"Summary of the 12th Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer," EARTH NEGOTIATIONS BULLETIN, Vol.19, No. 12, 15 December 2000; ICTSD Internal Files.

## **US RELEASES FINAL GUIDELINES FOR ENVIRONMENTAL REVIEW OF TRADE AGREEMENTS**

The Office of the US Trade Representative and the US Council on Environmental Quality last week released the final guidelines for implementing Executive Order "Environmental Review of Trade Agreements" -- signed by President Bill Clinton in November 1999. The order commits the US to assess and consider environmental impacts of future trade agreements. While major environmental groups have welcomed the guidelines, businesses still resist the inclusion of environmental and labour standards in international trade agreements. It remains unclear, however, what the fate of the guidelines will be under the incoming Bush administration.

The final guidelines require the "integration" of environmental considerations into the development of US trade policy objectives, providing a framework for the drafting of Environmental Reviews. These reviews are written reports designed to analyse the environmental impact of major trade agreements, and will be required for multilateral trade rounds, bilateral or plurilateral free trade agreements and major new trade liberalisation agreements in natural resource sectors. An Environmental Review is already underway for the free trade agreement recently concluded between the US and Jordan (see *BRIDGES Weekly*, 31-10-00, <http://www.ictsd.org/html/weekly/story3.31-10-00.htm>) and others are planned for proposed free trade agreements with Chile and Singapore, as well as for broader agriculture and service negotiations in the WTO. "The final guidelines will help us negotiate trade agreements that are both good for trade and good for the environment," said US Trade Representative Charlene Barshefsky. "The key is public involvement to ensure that pertinent environmental issues are identified and explored as trade agreement negotiations move forward," she added. To enhance public participation, the procedures provide for public comment and consultation on future trade agreements.

How the guidelines will fare under a Bush government, however, is uncertain. While Barshefsky expressed optimism that the guidelines would survive the next government, other analysts are less certain. In general, President-elect George W. Bush is thought to favour a new round of trade liberalisation talks and supports efforts to reduce trade barriers in the Asia-Pacific region, but he is likely to place significantly less emphasis on the inclusion of labour and environmental standards in trade agreements than his Democratic predecessor. The inclusion of standards might also depend on whether fast track trade authority is given to the new president and what that authority would look like. According to a Chilean official, a closely divided Congress might only approve fast track if labour and environmental protections are included.

The guidelines are available on the USTR website at:  
<http://www.ustr.gov/releases/2000/12/guides.html>.

"USTR, CEQ release final guidelines on implementation of Executive Order regarding environmental reviews of trade agreements," USTR PRESS RELEASE, 13 December 2000; "US announces final guidelines on trade and environment," AFP, 13 December 2000; "Bush expected to favour new trade round without thorny subjects," WORLD TRADE NEWS, 14 December 2000; "Trade talks under Bush: Less focus on Labour and Environment," INTERNATIONAL HERALD TRIBUNE, 14 December 2000. "Chile FTA labour, environment measures in doubt with Bush administration," INSIDE US TRADE, 15 December 2000.

## **DELEGATES TACKLE HEAVY WORKLOAD AT CITES PLANTS AND ANIMALS COMMITTEES**

Delegates emerging from the 7-15 December meetings of the Animals and Plants Committees of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in Shepherdstown, US, expressed their satisfaction with progress made. The meetings raised the ongoing issue of whether CITES is primarily concerned with trade, permits and bans and/or whether it is mainly a tool for conservation, cooperation and training.

### Plants Committee

The 10th Meeting of the Plants Committee was focused primarily on procedural matters, addressing issues related to medicinal plants, orchids, artificial propagation of timber, significant trade in plants, and strategic planning and training initiatives. The launching of several species-focused projects was seen as the main output of the meeting, including projects on Orchidaceae, Cactaceae, cycads and Madagascan flora. While participants were generally satisfied with the work achieved, some felt that more scientific experts should be involved to pursue additional projects. In general, the Committee achieved its overall aim to instigate initiatives and cooperation among participants.

### Animals Committee

Delegates at the 16th Meeting of the Animals Committee successfully tackled most of the issues on the loaded agenda. Progress was made in particular on issues related to sturgeon categorisation and caviar labelling, trade in freshwater turtles and tortoises, and the increasingly important issues of hard corals and seahorses. Some delegates expressed their concern regarding the scientific expertise of participants, but in contrast to the Plants Committee, where this issue was seen as a matter of

quantity, delegates in the Animals Committee were mainly concerned with the quality of the participants' scientific backgrounds.

The two meetings highlighted the implementation challenges faced by CITES with its listing of over 300,000 species. This difficulty, according to sources, is further exacerbated by problems of communication and bureaucracy between the various groups involved in implementation, including Scientific and Management Authorities, Parties, Committees, government officials and the Secretariat. In addition, some delegates questioned CITES' role and effectiveness in conservation. With the Convention's focus on the species level, some wondered whether it could fulfill its responsibility to minimise the impacts of its actions on habitats and biodiversity.

Another recurring issue under discussion involved the differing perceptions regarding CITES' focus -- whether primarily trade or conservation -- and the related differences in the interpretation of CITES' role as well as the specific functions of the Animals and Plants Committees. Some commentators believe that CITES now regulates trade for conservation purposes rather than acting as a conservation tool that allows trade. Pro-trade delegates continued to support sustainable use to justify trade, advocating the concept of maximum sustainable yield (MSY) to determine listing criteria, while conservationists favoured a precautionary approach and warned against using the fisheries-inspired MSY model for all plants and animals.

CITES entered into force in 1975 with the aim of monitoring and stopping commercial international trade in endangered species; maintaining those species under international commercial exploitation in an ecological balance; and assisting countries towards a sustainable use of species through international trade. With currently 152 Parties, it is the largest international conservation treaty.

"Summary of the CITES Technical Committees Meetings: 7-15 December 2000," EARTH NEGOTIATIONS BULLETIN, 18 December 2000.

## **IN BRIEF**

CHILE-US FREE TRADE AGREEMENT IN MOTION. Negotiations towards a Chile-US Free Trade Agreement have begun, and, according to Chilean Finance Minister Nicolas Eyzaguirre, the talks will be completed by the end of 2001. The inclusion of environmental and labour provisions in the agreement remains contentious and anything but certain. The outgoing Clinton Administration would like to have these aspects reflected in the Chile-US deal. However, it is uncertain how such provisions will be dealt with by the incoming Bush administration. Eyzaguirre has indicated that Chile does not want environment and labour included in a trade deal. Exactly how such an agreement will affect Latin American trade relations is also uncertain: the Chile-US talks halted progress on Chile's full accession to Mercosur shortly after they were made public (see *BRIDGES Weekly*, 5-12-00, <http://www.ictsd.org/html/weekly/story3.05-12-00.htm>). Some analysts believe that a Chile-US deal may lend weight to the Free Trade Area of the Americas (FTAA) process, though this may come at the expense of Brazil's willingness to negotiate a hemispheric agreement. In related news, South Africa became an associate member of Mercosur last week after signing an agreement at the Mercosur summit in Florianopolis, Brazil. The agreement also establishes guidelines for the creation of a Mercosur-South Africa free trade zone. "Chile Sees Free Trade Agreement With US By End of 2001," DOW JONES, 13 December 2000; "South Africa to Join Mercosur As Associate Member," ASSOCIATED PRESS, 13 December 2000.



**SOUTH AFRICA WILL PLAY HOST TO RIO+10.** The South African Department of Environmental Affairs and Tourism announced earlier this week that Johannesburg would host the United Nations General Assembly Conference on Environment and Development (UNCED) in 2002, otherwise known as Rio+10, after the 10-year anniversary of the original UNCED meeting in Brazil in 1992. According to Rejoice Mabudafhasi, South African Deputy Minister of Environmental Affairs and Tourism, having the event -- which will carry the name "World Summit on Sustainable Development" -- on African "soil will firmly place these issues and debates on the agenda of our continent." It is widely acknowledged that the event will focus on the interrelationships between poverty and underdevelopment, both of which are considered to be major challenges to environmental security and sustainable development. In preparation for the summit, the UN Commission on Sustainable Development (CSD) will hold several preparatory meetings: 30 April-2 May 2001 in New York; January 2001 in New York; March 2002 in New York; and May 2002 in Indonesia. Participation is open to all accredited non-governmental organisations. UN PRESS RELEASE, 10 December 2000.

**EU-ASEAN SUMMIT.** The EU and the Association of South East Asian Nations (ASEAN) last week agreed on the role of world trade in promoting global economic growth and that a new comprehensive round of WTO trade negotiations must be launched as soon as possible. However, while the issues of e-commerce and intellectual property, both cornerstones of the "new economy", were central to last week's discussion, the issue of human rights also came into play. The summit declaration iterated the International Labour Organisation's imposition of sanctions on Myanmar for its use of forced labour and underscored the importance of a stable and peaceful transition of East Timorese independence. "ASEAN, EU Officials Stress WTO's Role In Global Reach," REUTERS, 12 December 2000.

## **WTO IN BRIEF**

**WTO DELIBERATES LOCATION OF NEXT MINISTERIAL.** According to trade sources, the WTO is expected to announce the venue for its next Ministerial early in 2001. Thus far, only Qatar has made a formal offer to host the event, while it is expected that Chile will formally offer its capital, Santiago, as the host site very shortly. The US, Israel and Latin American states are said to favour Chile over Qatar for security and geographical reasons. If Members cannot agree on a venue, trade sources indicate that the Ministerial will be held in Geneva. Interest in hosting the Ministerial has waned in the last year after confrontations between police and activists at the last WTO Ministerial in Seattle deterred would-be candidates from offering to host the event. "Qatar, Chile Bidding for WTO Ministerial," REUTERS, 14 December 2000.

**DSB MEETS TO DISCUSS FSC DISPUTE.** The WTO Dispute Settlement Body (DSB) will meet on 20 December to discuss the EU's request for the establishment of a panel under Article 21.5 of the Dispute Settlement Understanding (DSU) to resolve the ongoing US-EU trade dispute regarding the US Foreign Sales Corporation (FSC) replacement tax legislation (see *BRIDGES Weekly*, 21-11-00, <http://www.ictsd.org/html/weekly/story1.21-11-00.htm>). On 8 December, the EU had formally submitted the request, arguing that "the FSC Replacement Act fails to bring the US into compliance with the DSB recommendations and rulings" and that the Act is inconsistent with WTO agreements (WT/DS108/16; available online). In a previous understanding between the EU and US regarding procedures under Articles 21 and 22 of the DSU in relation to the FSC dispute, the US had agreed

to accept the establishment of a panel "at the first DSB meeting in which the EC request appears as an item on the agenda" (WT/DS/12; available online). The panel must report back within 90 days. ICTSD Internal Files.

**US SUBMITS GATS NEGOTIATING PROPOSAL.** In accordance with the WTO's mandated reform of the General Agreement on the Trade in Services (GATS), last week the US submitted a comprehensive negotiating proposal covering all manner of trade in services. The proposal, which broadens the current state of play of the GATS negotiations in Geneva, calls for reduced market access barriers for American services, including: accounting services; audiovisual (including film and television) production and distribution; distribution (including retail); education and training; energy exploration and provision; environmental clean-up and protection services; express delivery; legal services; movement of natural persons; telecommunications; and tourism. According to US Trade Representative Charlene Barshefsky, "With these proposals we have identified those practices in other countries that adversely affect one of the most critical -- and fastest growing -- parts of the US economy." The US services industry, comprising 80 percent of US GDP, generated \$US266 billion in exports last year. The global services market was valued at \$US1.35 trillion in 1999, according to the WTO. "Diplomats Say US Trade Proposal Energizes WTO Talks," UPI, 14 December 2000; "US Presents Plan for Eliminating Trade Barriers in Services," AFP, 14 December 2000; "Negotiating Proposals for WTO Services Talks," INSIDE US TRADE, 14 December 2000.

**CANADA'S WTO TRADE POLICY REVIEW.** On 15 December, the WTO Trade Policy Review Body (TPR) -- a periodic review of Members' trade regimes -- completed its review of Canada's trade policy. It found that Canada's nine year economic expansion was evidence of its successful trade liberalisation strategy and lauded Canada's active participation in the ongoing WTO agriculture and services negotiations. The review also acknowledged Canada's desire not to jeopardise the public supply of health and education services and reiterated Canada's wish that new obligations not run counter to its cultural policy objectives. The TPR, however, chastised the Canadian government for its persistent use of protectionist antidumping measures, particularly on behalf of the Canadian steel industry. The TPR also reprimanded Canada for maintaining restrictive tariff rate quotas on imported textiles, dairy and poultry products. In related news, the Canadian government has said it will target steel and textile imports -- products that are easily substitutable and therefore unlikely to affect Canadian producers -- in its dispute with Brazil over aircraft subsidies. Last week Canada was granted permission by the WTO Dispute Settlement Body to impose \$CDN233 million in sanctions against Brazilian exports. WTO PRESS RELEASE, 15 December 2000; "Canadian sanctions likely to hit steel and textile Exports," INVESTNEWS.NET, 13 December 2000.

**WTO MEMBERS APPROVE NONGOVERNMENTAL CONTRIBUTIONS.** On 15 December, WTO Director-General Mike Moore announced that the WTO Membership approved a WTO Secretariat proposal to accept financial donations by private individuals, non-governmental organisation and foundations. The proposal specifies that all contributions would require notification to WTO Members and that each contributor must prove that their particular contribution will not generate conflicts of interest. Contributors would be prohibited from using the WTO logo in any way. "WTO Members Agree In Principle On Nongovernmental Contributions," 18 December 2000.

**RUSSIAN ACCESSION STILL A WAYS OFF.** On 18-19 December, the WTO Russia Accession Working Party convened to continue discussions leading to Russia's accession to the WTO. Russia's

initial bid for GATT Membership began in the early 1990s, but with Moscow ambivalent over the benefits of trade it was not until March 2000 -- when Vladimir Putin assumed the Russian presidency -- that more serious consideration was given to Russian WTO Membership. Despite Russia's enthusiasm to join the WTO, evidenced by the sizeable Russia delegation present at this week's meeting, trade sources believe that the 2002 target entry date is too ambitious. Russia must still undergo substantial restructuring, particularly in the areas of agriculture, intellectual property, investment regulations and land tax policy, before it can accede. Coincidentally, this week's meeting of the WTO Russia Working Party corresponded with Putin's three-day state visit to Canada. During the visit, Canadian Prime Minister Jean Chretien reiterated Canada's willingness to help Russia achieve its goal of WTO Membership. "Talks Begin In Geneva On Russia's WTO Membership," AFP, 18 December 2000; "Canada Reaffirms Commitment to Help Russia Join The WTO," DOW JONES, 18 December 2000.

## **EVENTS**

### Coming Up This Week & First Weeks of January

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar at: <http://www.ictsd.org/html/calendar.htm>.

11-22 December, Bonn, Germany: FOURTH SESSION OF THE CONFERENCE OF THE PARTIES TO THE CONVENTION TO COMBAT DESERTIFICATION: COP-4. For information contact: the CCD Secretariat, P.O. Box 260129, D-53153 Bonn, Germany; tel.: (49-228) 815-2800; fax: 815-2899; email: [secretariat@unccd.de](mailto:secretariat@unccd.de); Internet: <http://www.unccd.de>. From IISD Linkages, <http://www.iisd.ca/updates/upcoming.html>.

20 December, Geneva Switzerland: WTO DISPUTE SETTLEMENT BODY. Members will discuss the US-EU FSC case. For information contact: Nuch Nazeer, WTO Information and Media Relations; tel: (41-22) 739-5393, or see this week's WTO In Brief.

8-12 January 2001, San José, Costa Rica: WORLD CONGRESS ON ENVIRONMENTAL LAW. For information contact: Ramón Ojeda, Secretario General, CIACA; tel/fax: (34-43) 278-888; email: [ciacaciv@sarenet.es](mailto:ciacaciv@sarenet.es); Internet: <http://www.greenchannel.com/iceac>. From IISD Linkages, <http://www.iisd.ca/linkages/journal/>.

8-19 January 2001, Santiago, Chile: CGIAR (CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH) ELECTRONIC CONFERENCES. The conferences, which will be coordinated by the International Network on Methodology of Farming Systems Research (RIMISIP), aim to make the growing prevalence of partnerships between publicly financed international research centres and private-sector biotechnology companies more widely known and to envision a strategy to ensure that publicly-funded international agricultural research addresses primarily the interests of poor farmers. A summary of the main conclusions and recommendations will serve as an input for a face-to-face workshop in May 2001 in South Africa, where civil society actors, public sector donors and key CGIAR members will discuss the mission of the CGIAR and how its research agenda can be tailored to the needs and circumstances of poor farmers. For more information and to join the conference, contact: Miguel Altieri; email: [agroeco3@nature.berkeley.edu](mailto:agroeco3@nature.berkeley.edu); Internet: [www.rimisip.cl/ngoc](http://www.rimisip.cl/ngoc).

10-12 January 2001, Monterey, California: THE THIRD ANNUAL MONTEREY CONGRESSIONAL FORUM ON TRADE POLICY. The Forum will prepare for the new US Congress and Administration by helping the members of the California Congressional delegation understand the complexity of the issues that will confront them on the subject of trade. This will be the first major West Coast trade policy forum since the Seattle WTO meetings last year, and will be the first event to bring together the different voices that have a serious stake in the future direction of American trade policy. Officials of government, business, labour, environmental organisations, and developing economies will engage in discussions on how to formulate and enact sound trade policy for the new century. For information contact: California Council for International Trade; email: [info@ccit.net](mailto:info@ccit.net); Internet: <http://www.ccit.net/>.

### WTO Events

An updated list of forthcoming WTO meetings is posted at: [http://www.wto.org/english/news\\_e/meets.doc](http://www.wto.org/english/news_e/meets.doc). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland.

10-17 January 2001, Geneva, Switzerland: WTO CHINA ACCESSION WORKING PARTY. For information contact: Hans-Peter Werner, WTO Information and Media Relations Division; tel: (41-22) 739-5007.

22-24 January 2001, Geneva, Switzerland: WTO TEXTILES MONITORING BODY. For information contact: Luis Ople, WTO Information and Media Relations Division; tel: (41-22) 739-5374.

24 & 26 January 2001, Geneva, Switzerland: WTO TRADE POLICY REVIEW BODY - MOZAMBIQUE. For information contact: Lucie Giraud, WTO Information and Media Relations Division; tel: (41-22) 739-5075.

5-7 February 2001, Geneva, Switzerland: WTO FIFTH SPECIAL SESSION OF THE COMMITTEE ON AGRICULTURE. For information contact: Peter Ungphakorn, WTO Information and Media Relations; tel: (41-22) 739-5412.

### Other Forthcoming Events

25-30 January 2001, Porto Alegre, Brazil: WORLD SOCIAL FORUM. The goal of the Forum will be to strengthen South-North alliances between NGOs, unions and social movements. The four themes for the conference are: production of wealth and social reproduction; access to wealth and sustainability; civil society and the public arena; and democracy and citizens' power. For information contact: Secretaria do Forum Social Mundial, Rua General Jardim, 660 sala 81, CEP 01223-010, Sao Paulo - Capital- Brasil; tel: (55-11) 258-8914; fax: 258-8469; email: [fsm2001@uol.com.br](mailto:fsm2001@uol.com.br).

16-17 March 2001, Canberra, Australia: CONFERENCE ON CHINA & THE WTO. Hosted by the Faculty of Law of the Australian National University, Canberra, Australia with support from the Australian Department of Foreign Affairs and Trade and the Law Department of the London School

of Economics. Two-day conference with presentations on the Chinese WTO accession negotiations, and on trade in goods, trade in services and IP and other issues from trade negotiators, academics and legal practitioners. Keynote speaker: Prof. John H Jackson. Brochure, conference programme, and registration form are available at: <http://law.anu.edu.au/china-wto/index.html>. For information contact: Dr. Brett Williams, China & the WTO Project, Faculty of Law, Australian National University; email: [china-wto@anu.edu.au](mailto:china-wto@anu.edu.au) or [williamsbg@law.anu.edu.au](mailto:williamsbg@law.anu.edu.au).

## RESOURCES

If you have a relevant resource (books, papers, bulletins, etc.) you would like to see announced in this section, please forward a copy for review by the *BRIDGES* staff to [hcameron@ictsd.ch](mailto:hcameron@ictsd.ch). Submissions of publications to ICTSD's documentation centre would also be welcomed (contact: [mgalvin@ictsd.ch](mailto:mgalvin@ictsd.ch)).

CANADIAN PROPOSALS FOR FTAA AGREEMENT. Canada's written submissions to the Free Trade Area of the Americas (FTAA) negotiating groups have been made public. They include proposals on market access, government procurement, agriculture, competition policy, and subsidies and antidumping/countervailing duties. To download copies visit: [ww.dfait-maeci.gc.ca/tna-nac/ftaa\\_neg-e.asp](http://ww.dfait-maeci.gc.ca/tna-nac/ftaa_neg-e.asp). For further information contact: Sylvie Bussi res, Office of the Minister for International Trade, Ottawa, Ont, Canada; tel: (1-613) 992-7332.

"India and the Multilateral Trading System after Seattle: Toward a Proactive Role." By Aaditya Mattoo and Arvind Subramanian in WORLD BANK WORKING PAPER No. 2379, June 2000. The paper argues that India should engage more actively in the multilateral trading system, to help facilitate and consolidate domestic reform and to gain access to export markets for India's goods and services. It further states that India should engage more actively in the multilateral trading system for four reasons: First, such engagement could facilitate domestic reform and improve access to export markets. Second, external commitments can foster good domestic policies by providing guarantees against the reversal of current policies or lending credibility to promises of future reform. Third, engagement can help enforce India's market access rights. Fourth, multilateral tariff reduction could reduce the disadvantage (to India) of not being part of regional agreements. To download a copy visit: <http://www.worldbank.org/research/trade/majoract.html#seven>. To obtain a hard copy contact: [trade@worldbank.org](mailto:trade@worldbank.org).

"How Stronger Patent Protection in India Might Affect the Behaviour of Transnational Pharmaceutical Industries." By Carsten Fink in: WORLD BANK WORKING PAPER No. 2352, May 2000. To address questions about how stronger patent rights will affect India's pharmaceutical industry, the author simulates the effects of introducing such protection - as required by the World Trade Organisation Agreement on Trade-Related Intellectual Property Rights (TRIPs) - on market structure and static consumer welfare. The simulation analysis asks how the market structure for the two groups of drugs would have looked if India had granted patents for drugs. To download a copy visit: <http://www.worldbank.org/research/trade/majoract.html#seven>. To obtain a hard copy contact: [trade@worldbank.org](mailto:trade@worldbank.org).

"Reciprocity across Modes of Supply in the World Trade Organisation: A Negotiating Formula." By Aaditya Mattoo and Marcelo Olarreaga in WORLD BANK WORKING PAPER No. 2373, June 2000. The paper suggests that if negotiations on trade in services at the World Trade Organisation

are to advance liberalisation beyond levels undertaken unilaterally and lead to more balanced outcomes, reciprocity must play a greater role in negotiations. This may be facilitated by the use of negotiating rules that establish credible links across sectors and modes of delivery. Negotiations on trade in services at the WTO have so far produced little liberalisation beyond levels countries have undertaken unilaterally. One reason: limited application of the traditional negotiating principle of reciprocity. To download a copy visit: <http://www.worldbank.org/research/trade/majoract.html#seven>. To obtain a hard copy contact: [trade@worldbank.org](mailto:trade@worldbank.org).

SAVING TWO IN A BILLION: A CASE STUDY TO QUANTIFY THE TRADE EFFECT OF EUROPEAN FOOD SAFETY STANDARDS ON AFRICAN EXPORTS, " by Tsunehiro Otsuki, John S. Wilson, Mirvat Sewadeh, 2000. The World Bank Report attempts to quantify trade effects of EU food safety standards. The European Union through its championship of the "precautionary principle" has been at the centre of the agricultural policy debate. The report states that the trend toward increasingly strict food safety standards will significantly affect world exports, including particularly those from developing countries and quantifies the trade impact of a new European standard covering aflatoxin on food exports from African countries. The results suggest that the implementation of the new aflatoxin standard in Europe will have a significant negative impact on African exports of groundnuts and cereals. The analysis is currently being extended to examine global trade in cereals and groundnuts. The extended research results should be complete in late January 2001. For additional information contact: John Wilson; tel: (1-202) 472-2065; email: [jswilson@worldbank.org](mailto:jswilson@worldbank.org). To obtain a copy of the paper visit: <http://www1.worldbank.org/wbiep/trade/Standards.html>.

"The public controversy over genetically modified foods," Leiss, William in: ISUMA: CANADIAN JOURNAL OF POLICY RESEARCH 1, February 2000, pp. 80-85. The international public controversy over genetically modified foods (GM foods) and plant biotechnology is one illustration of endemic problems in the relation between science and policy in Western governments. One of the roots of those problems is the failure to appreciate the crucial difference between risk management (where a discrete set of risk factors must be assessed and controlled) and risk issue management (where the public controversy about those selfsame risk factors requires facilitation toward the goal of reasoned dialogue). Specific recommendations in this paper are directed to university-based scientists, industry and governments in Canada, for addressing the risk controversy over GM foods in ways that may help to facilitate reasoned public risk dialogue in this area.

"The Ecological Risks and Benefits of Genetically Engineered Plants." By L. L. Wolfenbarger and P. R. Phifer in SCIENCE, 15 December 2000: pp. 2088-2093. The report reviews studies conducted in order to show whether or not genetically modified plants pose a risk to the environment. The authors conclude that these studies have so far failed to provide an answer to this question.

"Should Credit be Given for Autonomous Liberalisation in Multilateral Trade Negotiations?" By Aaditya Mattoo and Marcelo Olarreaga in WORLD BANK WORKING PAPER No. 2374, June 2000. The authors propose establishing a credit rule at the end of a round of negotiations, which creates an ex ante assurance that any unilateral liberalisation will receive credit in the next round. Such a rule would help induce or enhance liberalisation in some countries between negotiating rounds by reducing the gains from retaining protection as negotiating currency. To download a copy visit: <http://www.worldbank.org/research/trade/majoract.html#seven>. To obtain a hard copy contact: [trade@worldbank.org](mailto:trade@worldbank.org).

EARTH SUMMIT 2002 -- A NEW DEAL. By UNED Forum, 2000. The book represents the drawing together of ideas, experiences and expectations in preparation for the 10-year review of the first Earth Summit in Rio, 1992. The book offers analysis on critical issues on the International Sustainable Development Agenda as well as inviting key major group representatives to look at the reasons for slow progress so far in addressing those issues. To order a copy or to obtain more information contact: UNED Forum, c/o United Nations Association, UK, 3 Whitehall Court, London SW1A 2EL, England; tel: (44-171) 839-1784; fax: 930 5893; email: [info@earthsummit2002.org](mailto:info@earthsummit2002.org); Internet: [www.earthsummit2002.org/es/Press%20Release/pb2.htm](http://www.earthsummit2002.org/es/Press%20Release/pb2.htm).

### Electronic Resources

E-CONFERENCE: POVERTY ALLEVIATION AND SUSTAINABLE DEVELOPMENT: EXPLORING THE LINKS. Hosted by the International Institute for Sustainable Development (IISD). The goal of this forum is to solicit expertise and opinions on this topic. Inputs will be presented to senior Canadian policymakers at a workshop to be held in Ottawa on January 23, 2001. A primary aim of the E-Conference and workshop is to inform the direction of new aid policies. A final report will be sent to all E-Conference participants. The conference begins on 9 January 2001 and will be closed on 6 February 2001. To access visit: [http://www.iisd.org/pe/pov\\_sd/e\\_conference.htm](http://www.iisd.org/pe/pov_sd/e_conference.htm)

TRADE IN SERVICES. Hosted by the World Bank. This web page is intended to provide an overview of and access to available data on trade in services. It covers three different categories of data: (i) Measures Affecting Trade in Services; (ii) Trade and Investment Flows; and (iii) Market Structure and Performance. Data in all three categories are divided into general sources of information, covering more than one service sector, and sector-specific sources of information. A comprehensive bibliography on recent studies related to services trade can also be found. The site has been substantially revised recently. For more information contact: Ileana Cristina Neagu; email: [ineagu@worldbank.org](mailto:ineagu@worldbank.org). To access visit: <http://www1.worldbank.org/wbiep/trade/services.html>

### **SCHOLARSHIPS**

ECOLOGICAL STUDIES. Schumacher College in Devon, England, offers a number of scholarship places on its 4-23 February 2001 course "The Market: Master or Servant?" is being taught by Wolfgang Sachs, Martin Khor and David Jenkins. Applications should be submitted before the end of December. For more contact: Janice Young, Schumacher College, The Old Postern, Dartington, Totnes, Devon, TQ9 6EA, UK; tel: (44-1803) 865-934, fax: 866-899; email: [schumacher@gn.apc.org](mailto:schumacher@gn.apc.org); Internet: <http://www.gn.apc.org/schumachercollege/>.

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