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LEAD STORIES

DISCUSSIONS WRAP UP IN GENEVA; REMAINING RIFTS LEFT FOR CANCUN

Trade negotiators in Geneva have been involved in hectic last-minute attempts to pave the way for the fifth WTO Ministerial meeting, to take place from 10-14 September in Cancun, Mexico. Delegates continued to meet daily in informal heads of delegation (HOD) gatherings, a process that began on 11 August following a brief WTO recess (see BRIDGES Weekly, 21 August, <http://www.ictsd.org/weekly/03-08-21/story1.htm>). In addition, delegates met in smaller groups to flesh out deals, working late into the nights and over the weekend. With divisive issues such as agriculture, non-agricultural market access, the Singapore issues -- investment, competition, transparency in government procurement and trade facilitation -- and access to essential medicines topping the agenda, a new version of a draft ministerial text for Cancun was delayed over the weekend until 24 August, and the final pre-Cancun General Council (GC) meeting scheduled for 25 August started on the 26th.

New, final pre-Cancun ministerial declaration draws criticism

The new, amended draft of the Cancun ministerial text was released by GC Chair Carlos Perez del Castillo on Sunday, 24 August, and discussed in the evening of 25 August at an HOD meeting where delegates provided their initial reactions. The text itself contains six pages of decisions in the various areas under negotiation, including agriculture, non-agricultural market access, services, rules, trade-related aspects of intellectual property rights (TRIPS), environment, dispute settlement, special and differential (S&D) treatment for developing countries, implementation issues, the Singapore issues, and some smaller topics (see <http://www.ictsd.org/ministerial/cancun/docs/Job.03.150.Rev.1.pdf>). Three new paragraphs have been added: a sectoral initiative on cotton; commodity issues; and coherence. The draft further contains an annex outlining a framework for establishing modalities in agriculture, a similar annex for non-agricultural market access, an annex on S&D, and annexes on the Singapore issues (for more detailed information, see related stories in this issue of BRIDGES Weekly). Dates

and deadlines, as well as specific figures -- as relevant -- are left open for ministers to decide.

During the 25 August HOD meeting, Members discussed the draft text paragraph by paragraph, until late in the evening. Addressing the meeting, GC Chair Castillo said that while the text was put forward on his own responsibility, and in close co-operation with the Director-General, it was based on many hours of consultation and discussion with Members. It was by no means an agreed text, and sought to reflect the progress -- or lack of progress -- achieved on negotiations. In their initial reactions, many delegates expressed disappointment, especially regarding the draft text on agriculture. Brazil called the draft fundamentally flawed, while the EU said it "can still be repaired. It's flawed because of its imbalance". In reaction to the text, and especially its section on agriculture, New Zealand's Trade Negotiations Minister Jim Sutton called for more ambition, saying that "we're after fundamental reform in these areas ... export subsidies must go in this round". Coming from more of a development perspective, Indian Commerce and Industry Minister Arun Jaitley said "we would press for a framework in which there is sufficient cushioning in terms of tariff levels -- a provision for special products and a safeguard mechanism against any surge in imports". The US and others noted that their positions had not been appropriately reflected in the text.

CG discusses draft text, Chair Castillo to forward text to Cancun

During the final pre-Cancun GC, held from 26-27 August, Members gave their comments on the draft ministerial text. Many repeated statements from the 25 August HOD meeting, with others providing additional views based on consultations with capitals. The majority of the comments focussed on agriculture, non-agricultural market access and the Singapore issues.

After 40 speakers had taken the floor, WTO Director-General Supachai Panitchpakdi summed up criticism voiced over the text, including that some Members felt it was not faithful to the so-called "Doha Development Agenda" nor met its mandate, it was unbalanced, and reflected the positions of certain groups of countries better than others. He said the text had been left somewhat open-ended, leaving room for constructive ambiguity, as this would provide ministers -- working on the basis of this text in Cancun -- with flexibility and not prejudice the final outcome of negotiations. He also noted that Members finally were engaging on real negotiations, and encouraged them to continue.

Summarising discussions on the text, Chair Castillo noted that no greater convergence had emerged, and

referred back to the discussions at the 25 August HOD meeting. He said that while the text had drawn much criticism, the criticism had been varied and focussed on different aspects of the text, and no one had outright rejected it. The fact that no one loved it, but everyone could live with it, was a good sign rather than a bad sign. The Geneva process had come to an end, and he said he would now forward the text as it stands to ministers in Cancun -- not as an agreed text nor as one that reflects all positions, but on his responsibility, and accompanied by a cover note. In this cover note, Chair Castillo, with the Director-General, would compile various concerns Members had identified, highlighting the fact that wide disagreements still persisted in key areas. He said he would draft this letter on his own responsibility, in an "objective" way. He concluded that discussions had come to an end in Geneva, and the large remaining divisions could only be worked out at the political level by ministers.

ICTSD reporting; "WTO negotiators mull compromise bid to break talks deadlock," AFP, 25 August 2003; "U.S. official warns September WTO talks may fail," REUTERS, 26 August 2003.

WTO MEMBERS EXPECTED TO AGREE ON TRIPS & HEALTH PRE-CANCUN

WTO Members are expected to adopt the 16 December (draft) Decision on paragraph 6 of the Doha Declaration on the TRIPs (Trade-related Aspects of Intellectual Property Rights) Agreement and public health together with a statement by the TRIPs Council Chair Ambassador Vanu Gopala Menon of Singapore. The statement aims to dispel US concerns over the possible abuse of the Decision. Civil society groups rejected the Chair's statement, which they said would discourage countries from using the system at all and would heavily restrict generic production.

The Chair's statement, which he had hammered out with the US, Brazil, India and South Africa, begins by stating Members' commitment to using the system established by the paragraph 6 Decision (see BRIDGES Weekly, 20 December 2002, <http://www.ictsd.org/weekly/02-12-20/story1.htm>) "in good faith to protect public health" and not as "an instrument to pursue industrial or commercial policy objectives".

The statement goes on to stress the need to prevent diversion of cheap drugs (including active ingredients) to developed country markets, noting Members' understanding that "in general special packaging and/or special colouring or shaping should not have a significant impact on the price of pharmaceuticals". This

differs from the draft Decision, which states that special packaging should only be required "provided that such distinction is feasible and does not have a significant impact on price". The statement furthermore includes "best practice" guidelines used by the pharmaceutical industry and lists specific examples of such measure, including those used by Novartis, Pfizer and Merck.

The statement also notes that Members will seek to resolve any issues arising from the decision "expeditiously and amicably," with the possibility to call on the Director-General or the TRIPs Council Chair to find a "mutually acceptable solution" in case of concern over the implementation of the Decision. Neither the draft Decision nor the Chair's statement make reference to WTO dispute settlement.

Regarding the eligibility of countries, the statement includes a list of 23 developed countries that have decided to opt out of the decision, while the 10 accession countries to the EU agree to use the system in case of national emergency only until they become members of the EU, after which time they will not use the decision at all. The statement originally included a list of advanced developing countries, which would only use the system in case of emergency. This was dropped, and the countries' decision to partially opt-out will be announced to the membership in the General Council rather than being incorporated in the statement. The countries that had been included in the statement are Chinese Taipei, Hong Kong, Israel, the Republic of Korea, Kuwait, Macao, Mexico, Qatar, Singapore, Turkey and the United Arab Emirates.

In response to questions by Venezuela and the Philippines regarding the legal weight of the Chair's statement, Menon quoted the statement, which notes that it "represents several key shared understanding among Members". According to trade sources Ambassador Segio Marchi of Canada described the Chair's text as a "political statement," implying that the text was not legally binding.

The statement has yet to be adopted by the TRIPs Council. Both the statement and the draft Decision will then be presented to the General Council for adoption, where a number of countries are expected to announce their decision to only use the system in case of national emergency. The final decision is currently expected for late Thursday or Friday.

Chair's statement opposed by civil society groups

Civil society groups, including Médecins sans Frontières (MSF), Oxfam, Health Action International, Third World Network, Health GAP and Consumer Project on Technology, rejected the Chair's statement, denouncing

the conditions it imposes as a discouragement for developing countries to use the system. Describing the 16 December draft Decision as "a monstrosity that seems to be designed to be a solution that won't work", Ellen 't Hoen of MSF noted that "the proposed deal poses so many hurdles and hoops to jump through that we are really worried it may not work at all". She also pointed out that the TRIPs & health discussion seemed to have lost its focus, being more about giving comfort to the pharmaceutical industry than about access to medicines. Commenting on the statement, 't Hoen criticised the apparent assumption that protecting public health and pursuing industrial or commercial objectives were contradictory objectives. She also expressed surprise that no Member had objected to include the list of 'best practices' by big pharmaceutical companies in the statement, which she said provided "free promotion of companies in a WTO text".

ICTSD reporting; "WTO Chairman circulates text to break TRIPs/Medicines deallock; Agreement Seen," WTO REPORTER, 28 August 2003; "MSF's comments on the draft chairman's statement of 21 August '03," MSF, 26 August 2003.

AGRICULTURE: DRAFT FRAMEWORK RELEASED, MEMBERS VOICE 'BALANCED' CRITICISM

On 24 August, the Chair of the WTO General Council (GC), Carlos Pérez del Castillo, circulated a revised draft Cancun ministerial text with an annex containing a framework for establishing modalities in agriculture. Chair Pérez del Castillo followed the structure of the US- EC paper circulated on 13 August (BRIDGES Weekly, 21 August 2003, <http://www.ictsd.org/weekly/03-08-21/story2.htm>), but borrowed and modified some concepts from other draft texts submitted by Members following the submission of the US-EC text. He also included substantial sections on special and differential treatment (S&D) for developing countries. In the main text of the draft declaration, Chair Pérez del Castillo offered blanks for the ministers to fill in new dates for completing the actual negotiating 'modalities' at Cancun, and for submitting draft schedules based on the modalities. Despite hefty criticism voiced by many Members and coalitions on Chair Pérez del Castillo's agricultural text, the agricultural annex emerged unchanged from the discussions held during the this week's 26-27 General Council meeting, and will be sent as it stands to ministers in Cancun by Chair Pérez del Castillo in his personal capacity.

On 13 August the US and the EC presented Members with a "Joint Text" setting out approaches and

parameters for a possible framework for further reform of the agricultural trading system. The text galvanised the process, with further coalitions and individuals in the negotiations subsequently tabling their counterproposals, including a group of six like-minded countries, a group of 19 (G-20) developing countries -- i.e. 11 Cairns Group countries plus China, Cuba, Ecuador, El Salvador, India, Mexico, Pakistan, Peru and Venezuela -- and a group of six 'cautious' Members spearheaded by Switzerland, a grouping of six newly acceded Members, as well as Japan, Norway and Kenya. All texts, as well as Chair Pérez del Castillo's draft, do not offer concrete numbers and leave the details of most contentious issues open.

Domestic support

With regard to reducing trade-distortive domestic support, Chair Pérez del Castillo used the model from the US-EC paper, however with some significant differences such as different base periods (leading to more ambitious reduction targets), and a linear reduction of payments under the modified Blue Box even below five percent of the value of total annual agricultural production. According to the new draft, "Green Box criteria remain under negotiation". The EC-US text did not mention the future of the Green Box at all, whereas the G-20 called for capping and tightening the Box. Reductions of Amber Box support would be made in an aggregated -- i.e. not product-specific -- manner, and would not be harmonised (as suggested by the G-20). There would be no distinction between products exported and those supplied to the domestic market (as proposed by the G-20, Norway and to a lesser extent the Swiss group of six).

Chair Pérez del Castillo also added S&D provisions from other draft proposals, including: exempting developing countries from the requirement to reduce their de minimis levels; retaining the so-called S&D Box (Article 6.2. of the Agriculture Agreement) for developing countries; and adding new S&D provisions under the Green Box.

Market access

On market access, the three-part blended formula (Uruguay Round/Swiss formula/zero duty approach) would apply for developed countries, with maximum tariffs or negotiated tariff rate quota (TRQ) expansion, as proposed in the US-EC text. However, the draft would require countries to deal with tariff escalation (as proposed e.g. by the G-20 and the six like-minded countries). It also adds S&D provisions, including a 'special products' (SP) category with smaller tariff reductions and no new commitments on TRQs. The overall approach for developing countries tariffs would

be either a three-band Uruguay Round approach or a blend of the Uruguay Round and Swiss formulas, without a zero duty category, which would be "subject to conditions and for products to be determined". Members would also "take account of the importance of preferential access for developing countries".

Export competition

Export subsidies would be eliminated on some products "of particular interest for developing countries," while the rest would be reduced "with a view to phasing out". This latter phrase is absent from the US-EC paper, while the G-20 call for elimination in both groups, but at different speeds. There would also be negotiations on "the question" of a date for phasing out all export subsidies (not in the US-EC paper). Subsidised export credit and food aid would be treated in parallel with export subsidies, as in the US-EC paper. As part of S&D, developing countries would maintain flexibility to exempt certain transport and marketing subsidies from export subsidy reduction (Article 9.4 of the Agriculture Agreement) until all export subsidies have been fully phased out by all Members.

Other "issues of interest but not agreed"

Finally, the framework text lists several "issues of interest but not agreed" -- a category introduced by the US-EC joint text, with further issues proposed by other Members added. These include: reducing product-specific domestic support (e.g. proposed by the G-20, and in the cotton initiative of four African LDCs); expanding, opening and deepening TRQs (as demanded by the G-20); dealing with single desk export privileges (the US-EC want to discipline them); adding further flexibility for certain groupings (a demand from e.g. vulnerable countries, small-island developing states, countries in economic transition); including certain non-trade concerns (supported by the EC, Japan, Norway, Switzerland and other 'friends of multifunctionality'); addressing the implementation period; addressing sectoral initiatives (such as on cotton); dealing with inter-pillar linkages (e.g. the Philippines want to condition new market access commitments for developing countries to the prior substantial reduction of OECD farm subsidies); addressing the peace clause (EC et al. want it renewed, the G-20 want it to expire); continuation clause (see Article 20 of the Agriculture Agreement); and addressing geographical indications (GIs; EC, Switzerland and others want extended GI protection for farm products) as well as "other detailed rules".

Members' reactions

In their reaction to Chair Pérez del Castillo's draft framework text, Members more or less reiterated their already well known positions. Several countries (Cairns Group and others) complained that the draft was still too close to the US-EC paper because it did not seek the definite elimination of export subsidies or reductions on domestic support by product. Several Cairns Group and other developing countries further said the G-20 paper was a better basis for work in Cancun. Smaller non-Cairns developing countries wanted additional S&D, and 'cautious' developed countries such as Switzerland and Japan said the draft went too far and did not adequately recognise non-trade concerns and the diversity of agriculture. These countries, with the EC also expressed concern over the proposal to continue negotiations on disciplining the Green Box. The EC and US complained about the proposal to linearly cut Blue Box spending further down from five percent of total production. As expected, the EC objected proposed language on export subsidies that should be reduced "with a view of phasing out".

Several developed countries, including the EC and US, criticised the Chair's text for creating a two-tier system in which developing countries would have to do much less. However, India and others countered by saying that the system was already two-tiered because of the large distorting subsidies used by some developed countries. Both the EC and US further repeated their demand that major net food exporting countries should be granted less generous S&D other developing countries.

The revised 24 August draft Cancun Ministerial Declaration can be downloaded at <http://www.ictsd.org/ministerial/cancun/docs/Job.03.150.Rev.1.pdf>.

ICTSD reporting.

SINGAPORE ISSUES: MEMBERS UNHAPPY WITH DRAFT TEXT FOR CANCUN

In the revised draft Cancun ministerial text dated 24 August 2003, two options are provided for the tough Singapore issues of investment, competition policy, transparency in government procurement and trade facilitation. According to the first option, Members take note of the discussions that have taken place in the Working Groups on each issue, and conclude that the situation does not provide the basis for negotiations. This option is based on language in a proposal by 11 African countries (WT/GC/W/510, searchable at

<http://docsonline.wto.org>; see BRIDGES Weekly, 21 August 2003, <http://www.ictsd.org/weekly/03-08-21/story3.htm>). According to the second option, Members would launch negotiations. Detailed modalities, particularly for investment, are outlined in separate annexes to the draft ministerial text.

Prior to the final General Council (GC) meeting before Cancun, GC Chair Carlos Perez del Castillo stated that the draft text was put forward on his own responsibility, and was not agreed in any part. India, in a letter to the Chair on 27 August, stated that including the views of proponents in an annex to the draft ministerial text gave the 'distorted' impression that the annexes had been discussed by Members. With Botswana, China, Cuba, Egypt, Indonesia, Kenya, Malaysia, Nigeria, Philippines, Venezuela, Zambia, and Zimbabwe, India submitted a list of issues they still deemed necessary to clarify, to be attached as an additional annex to the draft ministerial text. According to trade sources, the Chair did not accept any additions at such a late stage, but promised to reflect the concerns of the group and divergences of views in a separate cover letter to be attached to the draft ministerial text, which will be sent to Cancun (see related story, this issue).

Negotiating modalities included as option in draft ministerial text

At informal heads of delegation (HOD) consultations on 22 August, the Chair of the Working Group on Investment, Seixas Correa (Brazil), concluded that there was no consensus among WTO Members on how to proceed with the investment issue, nor on what to advise ministers at Cancun. The meeting reportedly saw two papers tabled. One was the African paper (WT/GC/W/510); the other a submission by the EC, the Republic of Korea, Switzerland, Taiwan and Japan, proposing negotiations on investment, with draft modalities -- including both procedural and substantive elements -- for the negotiations (JOB (03)/172).

The EC, Korea, Taiwan and Japan text was subsequently later reflected in Annex D to the draft Cancun ministerial text, and provides for paragraphs 45-51 of the Doha Declaration to apply to the negotiations which (in square brackets) should conclude by 30 June 2004. On substantive elements, the paper (and the Cancun draft text) include the scope and definition, with the possibility of considering only foreign direct investment (FDI), or FDI with other forms of long-term investment. This, according to trade sources, was an attempt to address US demands that other forms of investment be included. Other elements of modalities included dispute settlement and "...other issues participants wish to put forward".

The same countries also prepared a paper on modalities for transparency in government procurement (JOB (03)/166), reflected in Annex F to the draft Cancun ministerial text. The draft declaration provides for negotiations to be based on Para 26 of the Doha Declaration, building on progress made in the relevant Working Group. The text provides for participants to submit their initial negotiating proposals (in brackets) by 31 January 2004, and conduct negotiations with a view to submitting a draft text no later than 30 June 2004 (in brackets).

The draft text on competition policy refers back to the relevant paragraph in the Doha Declaration and states that negotiations on a multilateral framework would be based on the elements contained in Para 25 of the Doha Declaration and on the "work undertaken in the working group". The text on competition states that the provisions of the agreement would be drafted in such a way that "...individual decisions of national competition authorities shall not be subject to challenge or recommendations under the WTO dispute settlement system" adding that the "...principle of non-discrimination will apply only to laws, regulations and guidelines of general application".

On trade facilitation, the draft text states that the negotiations would aim to clarify and improve relevant aspects of GATT Articles V, VIII and X of the GATT 1994 at the establishment of an agreement to further expedite the movement, release and clearance of goods, including goods in transit. It also recognises that in the case of developing and least-developed countries, implementation capacities would be fully taken into account.

S&D, capacity building and technical assistance

Technical assistance and capacity-building provisions have been embedded in the proposed modalities for all Singapore issues to respond to the needs of developing and least-developed countries both "during the negotiations and after their conclusion". The proposed modalities provide for the possibility of some form of special and differential (S&D) treatment, most notably in the form of exceptions or exemptions or transition periods for implementation. However, in Annex E on Trade and Competition Policy, the principle of S&D does not, per se, find mention the way it does in the other annexes. The text simply reaffirms that "full-account would be taken of the industrial policy, social policy and other needs of developing and least-developed country participants and appropriate flexibility provided to address them," adding that the right of all (not just developing and least-developed) Members to implement exceptions or exclusions on the

basis of transparent domestic legal processes would be safeguarded.

Decision left to ministers at Cancun

The option to continue the clarification exercise for the respective Singapore issues does not set any fresh date to reach 'explicit consensus' on modalities. According to Chair Perez del Castillo, this may be decided by Ministers at Cancun, should Members choose to follow this option. The inclusion in the draft ministerial text of draft modalities provided by the demanders for negotiations have been criticised by many developing countries. Chair Perez del Castillo however stated that the degree of polarisation on the Singapore issues was a factor in including two extreme options for a "best framework" -- either no negotiations, or negotiations with draft modalities that subsequently could be changed annexed -- for Ministers to take an appropriate decision at Cancun. The draft text for Cancun was also criticised for being 'imbalanced'. According to trade sources, two UK- based development organisations have shown that 66 to 68 developing countries have explicitly proclaimed themselves unwilling to join negotiations.

EU representative Peter Carl, however, insisted that there was firm and clear political commitment in Doha to launch negotiations on the Singapore issues and said "we would stick to that". He claimed that a number of countries were playing tactical games, and also ruled out a plurilateral approach to the Singapore issues. The US reportedly wanted ministers to decide on 'modalities'. While willing to negotiate on all four issues, the US was more prepared to tackle trade facilitation and transparency in government procurement.

The scene for the showdown between proponents and opponents for negotiating on the Singapore issues will now shift to Cancun.

ICTSD reporting; "WTO Members Still Trying to Agree On Investment Text Before Cancun Meeting," WTO REPORTER, 25 August 2003; "Singapore Issues: Clearly No Explicit Consensus, Yet Proponents Still Insist On Negotiations," THIRD WORLD NETWORK, 19 August 2003; "Japan-EC-Korea Investment Draft Meets Hostile Response," THIRD WORLD NETWORK, 21 August 2003; "Cancun Draft Is Imbalanced, Say Developing Countries", THIRD WORLD NETWORK, 26 August 2003.

OTHER NEWS

SERVICES: DEVELOPING COUNTRIES CALL FOR STRONGER FOCUS ON HORIZONTAL ISSUES, MODE FOUR

A number of developing countries expressed their disappointment with the first Cancun Ministerial text (available at http://www.ictsd.org/ministerial/cancun/docs/draft_cancun_minist_text.pdf) in the area of services. The WTO Secretariat released the text in mid-July 2003 (see BRIDGES Weekly, 28 July 2003, <http://www.ictsd.org/weekly/03-07-28/story1.htm>). A number of countries felt that while the text strongly emphasised market access issues, including the request and offer process, it neglected many outstanding horizontal and rule-making issues. These included assessment, modalities for least-developed countries (LDCs), emergency safeguards, subsidies, government procurement and domestic regulation. Many developing countries further felt that developed countries, in their initial offers, had given little, with offers related to movement of natural persons (mode four) virtually absent. Mode four is an area that is of fundamental interest to developing countries.

A number of developing countries, including Bolivia, China, Colombia, Cuba, Egypt, Guatemala, India, Indonesia, Malaysia, Mexico, Nicaragua, Pakistan, Peru, the Philippines, Thailand Uganda and Zimbabwe submitted a proposal for revising the first draft of the ministerial text in early August. This proposal recognised progress made in the market access component of the services negotiations, and "urged participants to intensify [...] their efforts and improve the quality of their offers, particularly in sectors and modes of supply of export interest to developing countries especially Mode 4". Regarding rule-making, the countries proposed that these "negotiations shall be concluded in accordance with their respective mandates and deadlines, noting especially the deadline of 15 March 2004 for emergency safeguard measures, on which we urge Members to intensify their efforts towards a successful conclusion".

In response, some changes were integrated into the final pre-Cancun draft ministerial text (see <http://www.ictsd.org/ministerial/cancun/docs/Job.03.150.Rev.1.pdf>) released on 24 August. This text indicates that

"We are committed to intensifying our efforts to bring the negotiations on specific commitments to conclusion. [...] With a view to providing effective market access to

all Members, due regard shall be given to the quality of offers, particularly in sectors and modes of supply of export interest to developing countries. We call upon those participants who have not yet submitted their initial offers to do so as soon as possible. Improved offers should be submitted by [...]. We are also committed to intensifying our efforts to conclude the negotiations on rule-making under GATS Articles VI:4, X, XIII, and XV in accordance with their respective mandates and deadlines, noting the deadline of 15 March 2004 for emergency safeguard measures. [...]. We note the interest of developing countries, as well as other Members, in Mode 4".

According to various sources, both developing and developed countries seemed satisfied with the new text. In the last General Council session (see related story, this issue), Bangladesh, India and Egypt mentioned the need for stronger language on mode four. The text will be submitted to ministers in Cancun as it stands.

Regarding modalities for the treatment of LDCs, there is not yet agreement. Nevertheless, the WTO trade sources indicate Chair Jara of the Council for Trade in Services is undertaking consultations, seeking to achieve results prior to Cancun. The new draft text explicitly states the existence of a "text to be added on modalities for the special treatment of least-developed country Members depending on the outcome of the ongoing consultations".

ICTSD reporting.

EC STYMIED IN ATTEMPT TO RESOLVE MEA ATTENDANCE AT WTO

On 23 August, the European Communities proved unsuccessful in its attempt to solidify the participation of certain multilateral environmental agreement (MEA) secretariats in special (negotiating) sessions of the WTO Committee on Trade and Environment (CTES). The EC, supported by South Africa, the US, Japan, Chile, Australia, Canada, Switzerland and Norway want to formalise MEA participation, while Egypt, China, Indonesia, Malaysia and the Philippines prefer to await agreement on observer status at the General Council. WTO sources described the mood at the session as "terrible".

The EC's proposal, which sought to circumvent the current deadlock at the WTO's General Council on approving intergovernmental observers, was resisted primarily by Egypt et al., which are concerned that an agreement at the CTES would prejudge an outcome at the General Council. These developing countries

also want to keep the flexibility to decide every time which secretariats to invite.

In its paper -- including square brackets denoting still-to-be-agreed-upon text -- the EC forwarded language for ministers in Cancun to extend to MEAs a standing invitation to the CTESS: "Building on practice so far, we agree to invite to the CTESS the secretariats of [UNEP, UNCTAD, Basel, UNFCCC, Montreal, CBD, CITES and ITTO]. This invitation is limited to the special session only, and is without prejudice to any additional invitations that the CTESS may decide in future".

Currently, invitations to these groups are extended on an ad-hoc basis in advance of each meeting of the CTESS, but the EC wants to make the attendance permanent in order to ensure consistent participation by MEAs. Indeed, to make its proposal less contentious, the EC said it wants to de-link the discussions on MEA attendance at the CTESS from the wider observership question, as well as from the negotiations on criteria for the granting of observer status under para. 31(ii) of the Doha Ministerial Declaration.

According to sources, Indonesia proposed a text at the session that would have confirmed the current ad-hoc arrangement for MEAs. This text, which some say attempted to strike a middle ground, met with general approval on the part of most Members. However, the EC said that such language was not acceptable, as they want to make sure MEAs will be able to attend, not just continue the status quo.

Due to the lack of agreement, the paragraph on environment in the new draft ministerial text to be forwarded to trade ministers at Cancun (para. 9), does not contain language on inviting MEAs. Indeed, at the 23 August session, a sentence urging ministers to "accelerate" negotiations in the CTESS was struck out, due to opposition from many developing countries that the phrase should simply tell ministers to "continue" negotiations (see <http://www.ictsd.org/ministerial/cancun/docs/Job.03.150.Rev.1.pdf>).

Paragraph 9 now reads, "We take note of the progress made by the CTESS in developing a common understanding of the concepts contained in its mandate in paragraph 31 of the Doha Ministerial Declaration. We reaffirm our commitment to these negotiations".

Eco-labelling

The EC also met with opposition to an earlier proposal to hold three "dedicated sessions" of the regular CTE in 2004 on voluntary eco-labelling schemes. At an informal Heads of Delegation meeting on 16 August,

most developing countries resisted its plan to hold these sessions to study existing schemes, exchange relevant information, and consider tools to support cooperation between different labelling systems. One developing country delegate said that the EC proposal was "much too ambitious," and that it was unclear why the already overloaded agenda should be stacked with three meetings on this one topic. He added that the EC could have better luck on this topic if it cut its proposal to one meeting per year.

According to one WTO source, the EC is in general "very unhappy" with the current trade and environment negotiations. While it is not clear whether the EC will raise either the MEA or ecolabelling issues at Cancun, the source said it would not be surprising if the EC were to bring environmental issues to the ministerial negotiating table.

ICTSD reporting.

IN BRIEF

ACTION AID REPORT SHOWS CRACKS IN EU ON SINGAPORE ISSUES

An Action Aid report entitled "Chips Off the Bloc: Disunity within the EU on Singapore Issues," dated August 2003, seeks to dispel the apparent unity within the EU on launching negotiations on the Singapore Issues at Cancun. The report states that in recent weeks some EU countries previously calling for negotiations have indicated that they no longer see this as a high priority for Cancun. The report highlights statements made by four EU ministers -- Patricia Hewitt, UK Secretary of State for Trade and Industry; Heidemarie Wiecek-Zeul, German Minister for Economic Cooperation and Development; François Loos, French Trade Minister; and Italy's Minister of Productive Activities, Antonio Marzano. The ministers have shown an obvious lack of enthusiasm with regard to pushing for a decision on at Cancun. Minister Hewitt, for example, reportedly stated on several occasions -- including at the Commonwealth Trade Forum in July 2003 -- that new issues no longer are a priority for the UK government at Cancun. Minister Wiecek-Zeul, acknowledging that developing country concerns, such as their limited negotiating capacities, and the need to concentrate negotiating resources on the most important issues stated that he "...would certainly understand if the launch of negotiations on any further topics were to be postponed until substantial progress had been achieved on the key areas of the Doha

development agenda -- in particular TRIPS, agriculture and market access for non-agricultural products". EU national parliaments have also come out against launching negotiations on new issues at Cancun. The Action Aid report calls on delegates from EU Member states to instruct the European Commission to abandon its insistence on Singapore issues at an early stage in the proceedings at Cancun.

"Chips Off the Bloc: Disunity within the EU on Singapore Issues", ACTION AID REPORT, August 2003.

WORLD BANK AND IMF PLEDGE SUPPORT WITH A VIEW TO CANCUN

In a letter to WTO Director-General Supachai Panitchpakdi, dated 20 August, the Presidents of the World Bank and IMF pledged continued support to developing nations in implementing commitments they make during the Cancun ministerial meeting. World Bank President James D. Wolfensohn and IMF Managing Director Horst Kohler personally sent a letter to Supachai, outlining their plans for "targeting Doha related needs". The letter referred to potential gains for developing nations from a further liberalised trading system. It also underscored the costs "on some of our member countries - albeit temporarily - as a result of preference erosion, the loss of tariff revenue or other factors" that result from adjusting to a more open trade environment. Wolfensohn and Kohler laid out a three-dimensional plan building on existing instruments used by the organisations to deal with developing countries' concerns about further trade liberalisation. The IMF and World Bank will work closely with members to assess the nature and magnitude of any adjustment need and assist in designing policies, institutional reform and investment programs to address key obstacles to trade expansion and the impact on affected population groups. The institutions will also examine ways to tailor lending in the project, sector, and country level to respond to the specific challenges posed by the "Doha Development Agenda". Wolfensohn and Kohler ended the letter to Supachai by stating that "given the substantial promise for the world's poor we should work together to address the short-term adjustment problems. As you embark on the crucial WTO Ministerial meeting in Cancun, we would like to assure you that both our institutions stand ready to support our members in taking full advantage of these opportunities".

Full text version of the letter available at: <http://www.imf.org/external/np/sec/pr/2003/pr03140.htm>

ICTSD reporting.

GLOBAL EXECUTIVES PRESS FOR 'CONCRETE RESULTS' ON AGRICULTURE AND MEDICINE

The International Business Council (IBC) of the World Economic Forum urged Members of the WTO on, 22 August, to focus on achieving 'concrete results' on the key issues of agriculture and access to low- cost generic medicines for poor countries at the forthcoming ministerial meeting in Cancun. The IBC, made up of 100 leading global executives (including Deutsche Bank, Boeing, Sony, Pfizer and Chevron Texaco Corp), further urged WTO Members to hold off on discussing the so- called "Singapore" issues to avoid overloading the Cancun agenda. Regarding agriculture, the IBC called for the "rapid phasing out of all distorting farm subsidies in the developed world" coupled with a "substantial and progressive cut in tariffs on agricultural produce". Niall Fitzgerald, chief executive of the global consumer goods giant Unilever, called agriculture a "front-line issue" and further asserted the IBC understood the success of the Doha Round depended on the success of farm trade talks. The IBC also called for greater flexibility under WTO intellectual property rules (TRIPS), to enable developing nations to access low-cost generic equivalents of patented medicines. The US, under pressure from domestic pharmaceutical companies, refused a deal late last year to resolve the issue, claiming it would become open to abuse by third world generic drug producers. The CEO's of US pharmaceutical giants Pfizer Inc and Merck & Co Inc, attending this week's IBC meeting, agreed that concrete results on drug issues were necessary (see related story on access to medicines, this issue). With less than two weeks left before the Cancun meeting, IBC executives emphasised the need for "visionary and generous leadership" from the US, EU and Japan.

"Groups Call for Focus on Agriculture, Medicines; Singapore Issues Can Wait", WTO REPORTER, 22 August 2003; "Business Chiefs See WTO Farm Deal as Priority", REUTERS, 22 August 2003.

PERU PURSUES S. AMERICAN INTEGRATION, BECOMES MERCOSUR ASSOCIATE

On 25 August, Peruvian President Alejandro Toledo and his visiting Brazilian counterpart, Luiz Inacio Lula da Silva, signed a total of eight bilateral integration documents. This move is expected to advance business relations between the countries and open up key trade routes linking Brazil to Pacific ports in Peru. In addition to the bilateral agreements, the two presidents, with the ambassadors of Argentina, Brazil, Paraguay

and Uruguay, signed a free trade deal making Peru an associate member of Mercosur. Peru is the third South American nation, following Chile and Bolivia, to join Mercosur as an associate member. Originally, Peru planned to sign a free trade deal with Brazil only, Peruvian Foreign Affairs Minister Allan Wagner said. "But then the idea of involving all Mercosur members came about. In this manner we aren't going to have only free trade with Brazil, but also with Argentina, Paraguay and Uruguay," he added. The Mercosur agreement gives Peru access to the full markets of members Argentina, Brazil, Paraguay and Uruguay markets, with the expansion and diversification of trade plus the gradual elimination of tariff and non tariff restrictions foreseen. The landmark agreement paves the way for a similar event in the near future with the rest of the Community of Andean Nations (Bolivia, Peru, Ecuador, Colombia and Venezuela). "By signing the deals between Peru and Brazil and Peru and Mercosur, and by leading the Andean Community toward Mercosur, we will be sowing the seed of a South American community of nations," Peru's President Alejandro Toledo stated. The eight documents plus the Mercosur agreement are geared towards a "strategic alliance" between Peru and Brazil, said President Lula da Silva.

"Peru associate member of Mercosur," MERCOSUR RELEASE, 26 August 2003; "Peru becomes associate member of Mercosur during Lula's visit," EFE, 25 August 2003; "Peru Aims To Become Associate Mercosur Member - Report," DOW JONES, 4 August 2003; "Peru Expects To Sign Mercosur Trade Pact On August 25," DOW JONES, 7 August 2003; "Brazil and Peru Seek Trade, Integration in Lima," REUTERS, 25 August 2003.

CITES TECHNICAL BODIES STRUGGLE UNDER HEAVY AGENDA

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) -- whose aim is to ensure that the international trade of wild animal and plant species does not threaten their survival -- recently held two meetings in Geneva, Switzerland. The 13th meeting of the Plants Committee (PC-13) convened from 12-15 August. The heavy agenda included 27 items, ranging from follow-up to decisions from CITES' 12th Conference of the Parties (COP-12), to review of Appendices listing endangered species, and regional reports. In their regional reports, delegates from Africa, Asia, Central and South America and the Caribbean, and Europe all highlighted communication and coordination problems between Parties. Chair Margarita Clemente established a contact group focussing on improving regional communication. Another working group focussed on prioritising the

Committee's working programme, which Chair Clemente stressed was "key to success," she said. Working groups also addressed specific issues, such as implementing the Convention on Biological Diversity's Global Strategy for Plant Conservation. The 19th meeting of the CITES Animals Committee (AC-19) followed the Plants Committee from 18-21 August. The meeting highlighted emerging CITES involvement in the protection of marine species, ranging from large marine mammals to species such as hard corals, tortoises and freshwater turtles. The meeting welcomed the active participation of NGOs and recognised that cooperation between NGOs and AC is crucial for the success of the AC.

"Summary of the 13th Meeting of the Cites Plants Committee: 12-15 August 2003," IISD'S EARTH NEGOTIATIONS BULLETIN, 18 August 2003; "Summary of the 19th Meeting of the Cites Animals Committee: 18- 21 August 2003," IISD'S EARTH NEGOTIATIONS BULLETIN, 25 August 2003.

US TO ENACT NEW FOOD IMPORT CONTROLS

The US recently passed legislation that will affect food imports. Under the 2002 Public Health Security and Bioterrorism Preparedness and Response Act, the US Food and Drug Administration will impose four new requirements on businesses and individuals who produce, import, or distribute food within the US. Specifics of the regulations will be made available by mid-October to allow the food industry time to comply with these restrictions by a 12 December deadline. The regulations include a requirement for foreign and domestic facilities that handle food for US consumption to register with the FDA and to give prior notification of imports. In addition, businesses must keep records of a food's "immediate previous sources and immediate subsequent recipients". The aim of this legislation is to protect Americans from food contaminated by bioterrorists. However, many of the US's major trading partners, including the EU, China, and Mexico are critical of the new rules and have argued that notwithstanding the US's valid security concerns, the new legislation may be more trade-restrictive than necessary under the WTO. In the past, the US has criticised similar food tracing legislation on GMOs by the EU.

"Tougher U.S. food import controls aimed at bioterrorists," ENS, 25 August 2003; "FDA Will Publish Final Rules Enacting Bioterrorism Legislation by Mid-October," WTO REPORTER, 26 August 2003.

ASSESSMENT OF GLOBAL FOOD SECURITY LAUNCHED

A coalition of governments of developed and developing countries, NGOs, international organisations, research institutions, consumer and producer organisations, and private sector groups recently launched a global study on food security. During two and a half years, scientists and local practitioners will examine how agricultural science, knowledge and technology can improve the livelihoods of the rural poor and reduce poverty in developing countries. The study will assess the economic, environmental, health and social implications of current and future agricultural technologies. "This is a first and unique chance for a global bottom-up check on what is really needed and what is not, to ensure food sovereignty for all, and the survival of the planet," said Benedikt Haerlin of Greenpeace International. The goal of the proposed assessment is to anticipate plausible future scenarios for food security in the next 20-50 years. It will provide decision makers with the information they need to reduce hunger and poverty, improve rural livelihoods, and facilitate equitable, environmentally, socially and economically sustainable development through the generation, access to, and use of agricultural knowledge, science and technology. The World Bank and UN agencies are expected to co-sponsor the study. The International Assessment of Agricultural Science and Technology website will periodically update this site as the proposal moves forward.

To access the International Assessment of Agricultural Science and Technology website, visit: <http://www.agassessment.org/>.

"Budapest Declaration - Initiative Endorsed by Unique Coalition of Stakeholders," WORLD BANK PRESS RELEASE, 4 August 2003; "Can Science Feed the Poor?," DEVNEWS MEDIA CENTER, 7 August 2003.

ICELAND COMMENCES WHALING, NGOS CALL FOR TRADE SANCTIONS

Iceland has decided to resume its whaling activities and has announced that it will hunt 38 minke whales this summer under the scientific research provision of the International Whaling Commission (IWC). According to Iceland's Ministry of Fisheries, the objective of the scientific whaling is to "gain knowledge on the role that minke whales have in the marine ecosystem, especially their interaction with fish stocks". Civil society groups have strongly criticised this move, and WWF's Richard Mott noted that the scientific information, which Iceland

was looking for, could be gathered through biopsies. He hinted that the only reason for Iceland to resume whaling was to provide consumers with whale meat. Conservation groups also pointed out that Iceland's whale watching and ecotourism markets would be severely hurt by the hunting. A number of US-based organisations wrote to the US Commerce Secretary, urging him to invoke the so called Pelly Amendment of the US Fisherman's Protection Act, which allows for sanctions when foreign nationals are diminishing the effectiveness of an international conservation programme.

Meanwhile, WWF praised 11 Pacific nations for their "commitment [...] to the conservation of whales". The countries have either declared their Exclusive Economic Zones (EEZs) as whale sanctuaries or are protecting whales through domestic legislation in an effort to boost the region's tourism, provide important livelihood opportunities for local communities and at the same time protect biodiversity.

ICTSD reporting; "Iceland Sets Harpoon Sights on 38 Minke Whales;" ENS, 6 August, 2003; "Pacific Nations join forces to save the whales;" WWF, 13 August 2003; "Iceland resumes whaling," High North Alliance, 6 August 2003; "Iceland's whalers back on track," High North Alliance, 19 August 2003; "U.S. Threatens Trade Sanctions After Iceland's First Whale Kill in 14 Years," HSUS RELEASE, August 2003.

WTO IN BRIEF

HONG KONG TO HOST SIXTH WTO MINISTERIAL CONFERENCE

In a notification circulated to WTO members on 25 August, Hong Kong's Secretary for Commerce, Industry and Technology, John Tsang, announced his government's offer to host the sixth WTO Ministerial conference. "Hosting the conference will ensure Hong Kong's involvement in the key events leading up to the sixth ministerial conference and enhance our involvement in all key negotiations, Tsang said. "It will also serve as a strong vote of confidence by the international community in Hong Kong as we recover from the SARS outbreak," he added. The timing of the event, which is expected to take place in late 2004 or early 2005, will depend on the progress made in the Doha Round of trade talks in Cancun and beyond. An interim ministerial meeting may gather early next year, most likely in Geneva, in order to address any outstanding matters arising from the Cancun meeting,

including finalising modalities for negotiations on agriculture and market access for non-agricultural goods -- originally due to be completed last spring. However, according to trade diplomats, Swiss officials have expressed reserve about holding an interim ministerial conference because of security concerns and lack of time to prepare for the event. Tsang assured that, if Hong Kong's offer was accepted, the city would be in a position to manage the conference properly. The event would bring about 8,000 visitors and 180 governments, contributing around HK \$100 million to Hong Kong's tourist receipts, and costing HK \$250 million to \$300 million.

"Hong Kong Publicly Confirms Bid to Host Ministerial; Early '04 Interim Meeting Eyed," WTO REPORTER, 27 August; "Hong Kong Bids To Host WTO Ministerial Meeting," DOW JONES, 27 August 2003; "HK looks to host WTO conference," NEWS.GOV.HK, 7 July 2003.

AFRICAN COTTON INITIATIVE ON CANCUN AGENDA

Just prior to the last meeting of the WTO General Council, Benin, Burkina Faso, Chad and Mali submitted a draft decision on cotton for the fifth WTO Ministerial in Cancun (WT/GC/W/511, searchable at <http://www.docsonline.wto.org>). In an unprecedented move, these four West and Central African (WCA) countries had put forward a sectoral initiative to eliminate cotton subsidies worldwide in May (see BRIDGES Trade BioRes, 2 June 2003, <http://www.ictsd.org/biores/03-06-02/story1.htm>). The purpose of the moratorium on subsidies was to ensure the survival and development of the cotton sector in the WCA region, where cotton accounts for up to 80 percent of export earnings. Extensive cotton subsidies in rich countries, especially the US, have led to an artificial increase of supplies on international markets and a fall in export prices. The development effects on small farmers losing their market shares have been devastating. In the proposed draft decision, the sponsors call for the establishment of a mechanism to gradually remove subsidies and a clear deadline for their total elimination, and financial compensation for their farmers in the interim. They suggest that all subsidies be reduced by one-third per year and completely phase out by 31 December 2006. Under the compensation mechanism, the annual amount of compensation to be paid would correspond to the estimated losses suffered, calculated on the basis of a reference period covering three years of cotton production (1999 through 2002). The share allocated to each beneficiary least-developed country (LDC) would be calculated on the basis of its share in total cotton production. A decision on the cotton issue is also integrated in the latest draft ministerial text for Cancun

(see <http://www.ictsd.org/ministerial/cancun/docs/Job.03.150.Rev.1.pdf>).

ICTSD reporting; "Agriculture: Les pays africains soumettent une proposition de négociation sur le coton au Comité de l'Agriculture, le Tchad réserve ses droits de tierce partie...", PASSERELLES, May 2003; "Africa battles US over cotton," BBC NEWS, 1 May 2003.

GI DISCUSSION AT A STANDSTILL AS EU PRESENTS ITS PRODUCT LIST

Countries have made no headway ahead of the Cancun Ministerial meeting on narrowing their differences in informal discussions on the multilateral register for geographical indications (GIs) for wines and spirits (see BRIDGES Weekly, 10 July 2003, <http://www.ictsd.org/weekly/03-07-10/wtoinbrief.htm>). Accordingly, the second version of the draft Cancun Ministerial text was revised to simply take note of progress made in the negotiations and to instruct the Council for Trade-related Aspects of Intellectual Property Rights (TRIPs) to continue its work. The new date for completing the negotiations remains to be agreed at Cancun.

Meanwhile, the question of whether to extend the additional protection for wines and spirits to other products continues to attract attention in discussions on outstanding implementation issues, finding explicit mention in the latest draft text for Cancun. The EC -- one of the strongest demandeurs of GI extension -- has finalised a list of 41 products for which it will seek additional protection in Cancun. The EC is planning to negotiate the list in the context of the ongoing agriculture talks.

The EC list is available at http://www.ictsd.org/ministerial/cancun/docs/EC_GIs.pdf.

ICTSD reporting.

EVENTS & RESOURCES

EVENTS

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

would like to submit an event, please email events@ictsd.ch.

ICTSD Events

5-7 September, Cancun, Mexico: 18TH GLOBAL BIODIVERSITY FORUM - BIODIVERSITY, TRADE AND SUSTAINABLE DEVELOPMENT. This session of the GBF is jointly organised by ICTSD, IUCN, SEMARNAT, CEESP and others. The GBF is a mechanism to bring together governmental and non-governmental representatives to foster dialogue and information sharing on key biodiversity issue. Key issues to be addressed will include: The relationship between the TRIPs Agreement and CBD; risk, precaution and biosecurity; and trade and sustainable livelihoods. For further information, see: http://www.gbf.ch/present_session.asp?no=31&lg=EN.

11-12 September, Cancun, Mexico: CANCUN TRADE AND DEVELOPMENT SYMPOSIUM. The Conference seeks to provide a platform for intellectual enquiry and dialogue on issues related to trade and development and to address key concerns afflicting development in the trade policy arena. The main objective of the CTDS is to encourage innovative thinking on issues related to trade and development to be translated into inputs for negotiations. For further information, contact: ICTSD, Bernice Lee; tel: (41-22) 917-8492; fax: 917-8093; email: tds@ictsd.ch; Internet: <http://www.ictsd.org/ministerial/cancun/tds/index.htm>.

Coming Up: 28 August - 3 September

25 August - 5 September, Havana, Cuba: UNCCD COP-6. The Sixth Session of the Conference of the Parties to the UN Convention to Combat Desertification will consider a number of issues, including: the designation of the Global Environmental Facility (GEF) as a financial mechanism of the CCD; feasibility and possible terms of reference of the regional coordination units; activities for the promotion and strengthening of relationships with other relevant conventions and international organisations; and follow-up to the World Summit on Sustainable Development. For further information visit: <http://www.unccd.int/cop/cop6/menu.php>. For daily updates by IISD's Earth Negotiations Bulletin, visit: <http://www.iisd.ca/linkages/desert/cop6/>.

28-29 August, Almaty, Kazakhstan: INTERNATIONAL MINISTERIAL CONFERENCE ON LANDLOCKED COUNTRIES. This conference was mandated by the UN General Assembly in 2002. The Second Intergovernmental Preparatory Committee will be held just prior to the conference. Events on trade facilitation measures and trade and transport facilitation, as well as

a High Level Investment Forum will be held in parallel. For more information contact: Sandagdorj Erdenebileg, Office of the High Representative for the LDCs, Landlocked Developing Countries and Small Island Developing States; tel: +1-212-963-7703; fax: +1-917-367-3415; e-mail: erdenebileg@un.org; Internet: <http://www.un.org/special-rep/ohrls/imc/default.htm>.

1 September, Bern, Switzerland: FAIR TRADE FAIR. For one day Bern will become the Fair Trade City. As original products from the whole world will be displayed at the fair, the symposium will address the growing importance of maintaining and supporting fair trade between nations. For further information contact Sonja Zimmermann, tel: +41 79 310 85 84; email: sonja.zimmermann@gersterconsulting.ch; Internet: <http://www.fairtradefair.ch>.

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/english/news_e/meets.pdf. 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, and are open to WTO Members and accredited observers only.

29 August, Geneva, Switzerland: WTO DISPUTE SETTLEMENT BODY.

10 - 14 September, Cancun, Mexico: WTO FIFTH MINISTERIAL CONFERENCE.

Events at Cancun

ICTSD maintains a webpage compiling events -- organised by civil society groups, international organisations etc. -- that will take place around the fifth WTO Ministerial conference in Cancun. To access this information, visit <http://www.ictsd.org/ministerial/cancun/events.htm>.

Other forthcoming events

6-7 September, Helsinki, Finland: UNU WIDER INTERNATIONAL CONFERENCE ON SHARING GLOBAL PROSPERITY. This UN University World Institute for Development Economics Research (WIDER) conference will focus on ways to increase the global economy's benefits to poor countries and poor people. Among the topics addressed are: innovative sources of development finance; private capital flows

and foreign aid; international trade and foreign investment; and the development impact of globalisation. For further information contact: WIDER; tel: +358-9- 615-9911; fax: +358-9-615-99333; e-mail: wider@wider.unu.edu; Internet: http://www.wider.unu.edu/conference/conferences.htm.

8-17 September, Durban, South Africa: FIFTH WORLD PARKS CONGRESS - BENEFITS BEYOND BOUNDARIES. The congress occurs once each decade and is sponsored by the IUCN. The Congress provides the major global forum for setting the agenda for protected areas. Previous Congresses have had a tremendous impact in assisting national governments to create new protected areas, and direct more resources towards biodiversity conservation. For further information contact: Peter Shadie, IUCN Programme on Protected Areas, tel: +41 22 999 0159; fax: 999 0025; email: pds@iucn.org; Internet: http://wcpa.iucn.org/wpc/wpc.html.

16-18 September, Cartagena, Colombia: INTERNATIONAL CONFERENCE ON ENVIRONMENTAL RIGHTS AND HUMAN RIGHTS. This conference is organised by the Friends of the Earth International (FOEI), the Transnational Institute (TNI), Oilwatch and Friends of the Earth Colombia (CENSAT Agua Viva). International experts on environmental issues and human rights issues will discuss inter alia: the impact of war on environmental rights and human rights, human right violations of environmental activists, impunity for environmental crimes, and ecological debt of northern countries to the south. For further information contact the conference organisers at tel: +571 244 24 65; fax tel +571 337 77 09; email: conferencia_ddhh@censat.org; Internet: www.censat.org, or www.foei.org.

18-20 February 2004, Vienna, Austria: FOURTH GLOBAL FORUM ON SUSTAINABLE ENERGY (GFSE-4). The proposed working title for GFSE-4 is "Energy for Sustainable Development: Reconsidering the Role of Subsidies". As GFSE-4 will take place about three months prior to the German-sponsored international conference on renewables - Renewables 2004 - in Bonn in June, GFSE-4 may devote at least one day to the issues specifically connected with renewables. For further information contact: Irene Freudenschuss-Reichl; tel: +1-212-963-6890; fax: +1-212- 963-7904; e-mail: freudenschuss-reichl@un.org; Internet: http://www.gfse.at/.

1-4 June 2004, Bonn, Germany: INTERNATIONAL CONFERENCE FOR RENEWABLE ENERGIES. German Chancellor Gerhard Schröder announced at the World Summit on Sustainable Development in September 2002 that Germany would host this

Conference. Themes to be considered include financing (instruments) and market development, formation of enabling political framework conditions, and capacity building (education, research, networks, cooperation, etc.). The Conference is expected to add to the momentum generated by the coalition of like-minded countries for promotion of renewable energy (known as the Johannesburg Renewable Energy Coalition, JREC). For further information contact: Secretariat of the International Conference for Renewable Energies; tel: +49-6196- 794404; fax: +49-6196-794405; e-mail: info@renewables2004.de; Internet: http://www.renewables2004.de/.

RESOURCES

ICTSD Resources

DOHA ROUND BRIEFING SERIES -- CANCUN UPDATE, AUGUST 2003. The Doha Round Briefing Series is published by the ICTSD in collaboration with the International Institute for Sustainable Development (IISD). The briefings serve as a guide to the multilateral WTO negotiations under the Doha Round. Thirteen "executive summaries" offer a progress report on the issues under negotiation. They are written for the non-expert with a strong interest in trade policy and negotiations. The first volume, published in February 2003, have been updated with a second volume for the fifth WTO Ministerial in Cancun, Mexico from 10-14 September. The second volume of each briefing includes a section on the prospects for Cancun. To access the briefings, visit <http://www.ictsd.org/pubs/dohabriefings/index.htm>.

CANCUN WEBPAGE. ICTSD maintains information online on the latest news, resources, events and logistical information around the 10-14 September meeting. The page includes relevant WTO documents, civil society documents, as well as other documents. To access the information, visit <http://www.ictsd.org/ministerial/index.htm> or http://www.ictsd.org/ministerial/cancun/documents_and_links.htm.

Other Resources

HOW MUCH DOES IT HURT? THE IMPACT OF AGRICULTURAL TRADE POLICIES ON DEVELOPING COUNTRIES. By the International Food Policy Research Institute, August 2003. According to this study, protectionism and subsidies by industrialised nations cost developing countries about US\$24 billion annually in lost agricultural and agro-industrial income. Trade-distorting measures of industrialised nations (mainly the EU, US and Japan) also displace more than

US\$40 billion of net agricultural exports per year from developing countries. The study states that eliminating these measures would triple developing countries' net agricultural trade. The study is downloadable at: <http://www.ifpri.org/>.

FOOD FIRST REPORTS. By the Institute for Food and Development Policy, August 2003. Food First has launched a series of policy briefs, aimed at providing ammunition for activists working against the WTO's agreement on agriculture, and liberalised trade in agriculture. These reports, covering the US, Mexico, Brazil, China, India and South Africa, examine agricultural change over the past twenty years, and show who wins and who loses through liberalisation in rural areas. The series of reports exposes how agricultural trade agreements in these six countries has cost the poor jobs and income, has increased rural poverty and inequality, and has wiped out small farms and communities. The reports are available at: <http://www.foodfirst.org/pubs/policy/>.

DECODING CANCUN: HARD DECISIONS FOR A DEVELOPMENT ROUND. By John Audley, George Perkovich, Sandra Polaski, and Scott Vaughan (CEIP, August 2003). Negotiators will meet in Cancun, Mexico, in September amid competing claims regarding what steps are necessary to make trade serve development goals. The authors note that the catch phrases of international trade -- "comparative advantage," "the development round," "trade not aid," and "level playing field" -- hide tough choices for both developing and developed country governments. Getting trade rules right is not sufficient for development, but getting them wrong can cripple it. The authors outline policies that governments and international institutions will need to avoid a debacle at Cancun and to assist developing countries in achieving long-lasting growth. For further information and to download the paper, see: http://www.ceip.org/files/Publications/Trade_PB26.asp?from=pubdate.

COMPETITION POLICY IN THE WTO AND FTAA: A TROJAN HORSE FOR INTERNATIONAL TRADE NEGOTIATIONS? By Marc Lee and Charles Morand (Canadian Centre for Policy Alternatives, August 2003). When WTO Ministers gather in Cancun in September 2003, they will decide whether to proceed with full negotiations on competition policy (one of four "Singapore issues") as part of the Doha Round. Competition policy is also a negotiating area in the proposed Free Trade Area of the Americas. The authors seek to provide an overview of competition policy and the elevation of competition policy to the international level as part of trade negotiations. The highlight two concerns: new competition disciplines may be used to undermine public sector monopolies (e.g. public health insurance) and state enterprises (e.g.

Crown corporations); and competition policy may further restrict the capacity of governments to engage in public interest regulation and industrial policies. The paper can be viewed at: <http://www.policyalternatives.ca/>.

CRACKING THE WTO CODE: UNDERSTANDING TRADE TERMS. By Friends of the Earth International (August 2003). This guide seeks to help would-be trade campaigners crack the WTO code. Understanding trade jargon is an essential first step for anyone wanting to understand or change the international trade system. For the sake of simplicity this guide does not attempt to analyse any of the terms that are included -- it functions as a quick-reference dictionary. The guide is available online at: http://www.foei.org/publications/trade/wtoglossarysnenglish_lowresol.pdf.

PURCHASING POWER: HARNESSING INSTITUTIONAL PROCUREMENT FOR PEOPLE AND THE PLANET. By Lisa Mastny (Worldwatch Institute, July 2003). According to this paper, corporations, international organisations, universities, and other large institutions are key in fostering the shift towards an environmentally sustainable world. These "mega-consumers" spend billions of dollars annually on goods and services, which is often more than the gross domestic product of entire countries. The article analyses the impact of this "mega-consumption" on the environment. Lisa Mastny is confident that institutions can play a positive role in relation to the environment: they can help spread green purchasing in developing countries by using their own procurements to strengthen local green markets. For further information, and to order the paper, visit: <http://www.worldwatch.org/pubs/paper/166/>.

THE CARTAGENA PROTOCOL ON BIOSAFETY: RECONCILING TRADE IN BIOTECHNOLOGY WITH ENVIRONMENT AND DEVELOPMENT? Edited by Christoph Bail, Robert Falkner and Helen Marquard (Earthscan, June 2003). The book provides a comprehensive review of the Cartagena Protocol on Biosafety to the Convention on Biological Diversity, which sets out international rules and mechanisms for ensuring adequate protection in the handling, transport, use and release of living modified organisms. For more information visit: <http://www.earthscan.co.uk/asp/bookdetails.asp?key=3959>.

WTO Resources:

WORLD TRADE REPORT 2003. WTO Secretariat (14 August 2003). This report, conceived and developed by Director-General Supachai Panitchpakdi, is intended to

make a contribution to the public debate on trade policy and the multilateral trading system. The 270-page report gives extensive examination to the Doha round of global trade negotiations. The report contains two sections: the first section is entitled "Trade and Trade Policy Developments," and focuses on three issues of topical interest: South-South trade; non-oil commodity markets; and regional trade agreements. The second section, entitled "Trade and Development" analyses in depth how the "Doha Development Agenda" can contribute to growth and development in developing countries. The report is downloadable at http://www.wto.org/english/news_e/pres03_e/pr348_e.htm.

TARIFF NEGOTIATIONS IN AGRICULTURE: REDUCTION METHODS. WTO Secretariat (August 2003). A variety of methods are possible for negotiating tariff reductions. Some are more common than others; some are based on formulas. This background fact sheet explains some of the main methods used, and compares them. Although it contains some algebra, it is kept as simple as possible, with the aim of providing nothing more than a taste of the various methods. The paper can be viewed at: http://www.wto.org/english/tratop_e/agric_e/agnegs_swissformula_e.htm.

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