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LEAD STORIES

TOKYO MINI-MINISTERIAL FAILS TO DELIVER RESULTS

Trade ministers from 22 countries, meeting in Tokyo from 14-16 February for a second 'mini-Ministerial' since the launch of the Doha round of trade negotiations in November 2001, made little progress in resolving a number of ongoing deadlocks at the WTO. The threat of war in Iraq loomed over the meeting, and the rifts between the US and the EU over the war also complicated the trade talks. Ahead of the meeting, WTO Director-General Supachai Panitchpakdi warned that "we are facing imminent gridlock. Only tightly focused political energy can avoid it." Highlighting negotiations on Trade-related Aspects of Intellectual Property Rights (TRIPs) and access to essential medicines for poor countries, and special and differential treatment (S&D) for developing countries, he said "failure to make real progress on [these issues] has deepened suspicions among developing countries that the 'Development' part of the Doha Development Agenda may be little more than a slogan".

Disagreement prevails over agriculture, TRIPs and health

A new draft document outlining the negotiating modalities in the area of agriculture, circulated during the week of the meeting, topped the Tokyo meeting agenda. Ministers aired their divergent views, but made no progress in bridging gaps (see related story in this issue). By the end of the meeting, the participants -- comprising both trade and agriculture ministers -- could not agree on referring to the new draft as a "reference point" for future discussions, but preferred to refer to it as a "catalyst". According to the work programme agreed at Doha, WTO Members are to finalise the agriculture negotiating modalities by the end of March, only six weeks after the Tokyo meeting.

On TRIPs and health, Brazil reportedly put forward a compromise proposal during the meeting. However, the initiative did not break this WTO deadlock (see related story, this issue).

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Wrapping up after the talks, Japanese foreign minister Yoriko Kawaguchi said ministers had reaffirmed their commitment to advancing the Doha round of trade talks, and that discussions had been "active and constructive". A WTO spokesperson said, however, that the talks had underscored the gaps between WTO Members, and pointed to agriculture as an area of particular concern, noting that failure to reach agreement on modalities by the end of March as scheduled could jeopardise the whole trade round. The following countries were in attendance at the Tokyo mini-Ministerial: the US, the EU, Japan, Australia, Brazil, Canada, Chile, Costa Rica, Egypt, Hong Kong, India, Indonesia, Kenya, Lesotho, Malaysia, Mexico, New Zealand, Nigeria, Senegal, Singapore, South Korea, and Switzerland.

European NGO letter rejects expansion of negotiations

Timed to coincide with the Tokyo mini-Ministerial, European NGOs sent a letter to EC Trade Commissioner Pascal Lamy rejecting the expansion of WTO negotiations. The 16 NGOs were protesting against attempts by the EC to suggest that a mandate already exists to begin WTO negotiations on the 'Singapore issues' -- investment, competition policy, transparency in government procurement and trade facilitation -- after the Cancun Ministerial. Pascal Lamy had reportedly used this argument at the previous mini-Ministerial in Sydney in November 2002. The NGOs stressed that the interpretation was incorrect and using it "would constitute an attempt to prejudice the outcome of the negotiations leading to a decision on modalities". The NGO statement further called on the EC to "drop its insistence that there must be negotiations on the new issues at the WTO," noting that the initiation of new and complex negotiations would be inappropriate considering the already existing workload.

"European civil society open letter against expansion of the WTO agenda, on the occasion of the WTO mini-Ministerial in Tokyo, Japan, 15- 16 February 2003," 14 February 2003; "WTO talks in Doha risk getting jammed," AFP, 15 February 2003; "Brazil Offers Compromise to Break Deadlock Over TRIPs Flexibility on Medicines," WTO REPORTER, 19 February 2003; "WTO Members Blast Harbinson Ag Text - Draft to Serve as 'Catalyst' for Future Talks," WTO REPORTER, 19 February 2003; "WTO Meet 'Constructive, Active:' Japan Foreign Min -Kyodo," DOW JONES, 17 February 2003; "Serious Gaps In WTO On Issues, Says Spokesman - Kyodo," DOW JONES, 16 February 2003.

AGRICULTURE: HARBINSON'S MODALITIES DRAFT RECEIVES MIXED REACTIONS

Within the last week, key WTO Members, farmers associations and NGOs have been reacting strongly to Stuart Harbinson's first draft proposal on modalities for the WTO agriculture negotiations. The modalities draft - setting out the scope of the negotiations, the methodology to be followed during the actual process, and the end-results expected -- was first circulated on 12 February (see BRIDGES Weekly, 12 February 2003, <http://www.ictsd.org/weekly/03-02-13/story1.htm>). While the US and the Cairn Group of 15 agricultural exporting countries expressed disappointment with the draft, focusing on its lack of ambition regarding the proposed cuts in tariffs and trade-distorting support, the EU complained that the draft modalities were biased towards agricultural exporting countries such as the US and those of the Cairns Group. Moreover, the EU said the text would not sufficiently take into account agricultural non-trade concerns (NTCs) such as environment and food safety. For their part, developing countries such as India, Kenya and Nigeria welcomed Harbinson's proposal, noting that it would provide poorer countries with the flexibilities they needed to address their developmental needs.

Modalities draft features at Tokyo mini-Ministerial

Stuart Harbinson, Chair of the special (negotiating) session of the WTO Committee on Agriculture, released his eagerly awaited first modalities draft just two days ahead of a 14-16 February informal Ministerial meeting hosted by the Japanese government. The meeting aimed to find common ground on some key issues in the current negotiations under the Doha mandate, such as agriculture and the provision of cheap generic drugs to developing countries (see related story, this issue). Nevertheless, Japan's Foreign Minister Yoriko Kawaguchi stated after the meeting that -- expectedly -- "a wide and huge diversity of views" remained on how to set parameters for further reducing agricultural tariffs, export subsidies and trade-distorting domestic support. But, Kawaguchi added, "the Harbinson paper was very successful in the sense that it motivated discussions and helped crystallise our thought". EU Trade Commissioner Pascal Lamy shared this view, stating that "it was there to provoke reaction, and it did provoke reaction!"

US, Cairns want more

The US Trade Representative (USTR) applauded Harbinson for suggesting full elimination of export subsidies within nine years, but demanded that this

would be flanked by deeper cuts in tariffs as well as in Amber Box (trade-distorting domestic support) and Blue Box (only partly de-coupled support under production-limiting programmes) subsidisation. "To be fair, these reforms must go much, much further toward harmonisation by narrowing the vast disparities among countries in subsidies and tariffs," USTR spokesperson Richard Mills said on 12 February.

Australian Agriculture Minister Warran Truss, speaking on behalf of the Cairns Group, identified "some good elements" in the draft modalities text, but said it lacked in ambition with regard to improving market access and substantially cutting "the outrageous levels of domestic support" provided by the EU, the US, Japan and others. However, while generally welcoming Harbinson's proposal, Northern Cairns Group member Canada voiced its concern about deep tariff cuts in Canada's sensitive and highly protected dairy and poultry sectors, noting that these would lead to cheaper dairy and chicken imports flooding the Canadian market. Furthermore, Canada rejected the proposal to further discipline state trading enterprises such as the Canadian Wheat Board.

EU, Japan consider their positions neglected

The EU stated that the Harbinson draft appeared "unbalanced, spreading the burden very unevenly amongst developed countries". Gregor Kreuzhuber, spokesperson for EU Agriculture Commissioner Franz Fischler, stressed in particular that competition tools such as export credits and food aid, widely used by the US, would be subjected to laxer disciplines than those applying to export subsidies under Harbinson's draft. All in all, he said the paper "follows the policy lines proposed by a number of countries primarily interested in exports [such as US and the Cairns Group] to the detriment of Members with other interests". Fischler expressed disappointment at the lack of importance attached to the pursuit of agricultural non-trade concerns (NTCs). "Those concerned about enhancing the provision of public goods, from environment to food safety, see their non-trade concerns ignored and their concerns about the potentially negative impact of trade enhanced," Fischler stated. Furthermore, the Agriculture Commissioner rejected the proposal to bind and reduce EU spending under the only partly trade-distorting Blue Box category, especially when taking into account that Members such as the US would be allowed to provide USD billions of clearly trade distortive support under the "de minimis loophole".

Japan rejected the draft as "unacceptable overall". Japanese Agriculture Minister Tadamori Oshima stated it "includes proposals which are incompatible with those of many nations". Specifically, Japan rejected calls to

cut its 490 percent rice tariff by a minimum of 45 percent as well as to expand its mandatory 7.2 percent rice import quota.

Major developing countries pleased, NGOs protest

On the developing country front, the Like-Minded Group (LMG) of countries such as India, Kenya and Nigeria, reportedly celebrated the Harbinson text as a small victory for the coalition of developing countries that have fought hard in the last three years for only further opening up their markets under the condition that their developmental and food security needs were appropriately addressed. Sources indicated that India welcomed the proposed negative-list approach by which developing countries could exempt a number of "strategic products" from general reduction commitments, as well as new flexibilities with respect to domestic support. However, India reportedly rejected the ten-year tariff reduction period for developing countries, regarding it as too short.

However, several NGOs -- such as the Bangkok-based NGO 'Focus on the Global South' and the Institute for Agriculture Trade Policy (IATP) -- criticised the Harbinson text for failing to even out the systemic pro-developed country bias in international agriculture rules. They noted that the draft ignored the proposals made by various developing countries on linking their market access commitments directly to the level of farm subsidisation in Northern countries. "By leaving out key development concerns, this draft creates an incentive for developing countries to stop negotiating in areas of key interest to developed countries such as trade in services and demand redress," IATP's Trade Information Programme manager, Shefali Sharma, stated. She said the draft gave no reason for the majority of developing countries to make further trade-offs in other areas of the negotiations, let alone expand the agenda into new areas such as investment.

WTO Members will discuss the Harbinson draft informally and formally in the forthcoming negotiating session of the Committee on Agriculture from 24-28 February. Members are scheduled to finalise the modalities negotiations by 31 March this year.

"Japan MP seeks farm trade support in WTO talks," KYODO NEWS, 17 February 2003; "Canada worries about wheat, Ag draft as skewed in favour of US interests," WTO REPORTER, 14 February 2003; "New WTO agriculture text ignores export dumping and developing country proposals," IATP PRESS RELEASE, 14 February 2003; "Agriculture proposal will increase dumping, unemployment and hunger," FOCUS ON THE GLOBAL SOUTH PRESS RELEASE, 13 February 2003; "Japan rejects WTO Farm tariff

proposal," AP, 13 February 2003; "Harbinson draft won't bridge the gaps," EU PRESS RELEASE, 13 February 2003; "Agriculture: WTO's Harbinson delivers first draft Ag modalities to hailstorm of criticism," WTO REPORTER, 13 February 2003; "Commission reacts to WTO draft on farm trade liberalisation," EU PRESS RELEASE, 12 February 2003. dairy, poultry at WTO," REUTERS, 17 February 2003; "WTO session unable to close farm trade gaps," JAPAN TIMES, 17 February 2003; "WTO proposal a start but needs to be more ambitious," AUSTRALIAN AGRICULTURE MINISTRY PRESS RELEASE, 14 February 2003; "Developing countries pleased over WTO agriculture draft," ASIA PULSE, 14 February 2003; "Agriculture: Europeans rip Harbinson.

NO COMPROMISE IN SIGHT ON TRIPS & HEALTH

Discussions at the Tokyo 'mini-Ministerial' on 14-16 February and the Council for Trade-related Aspects of Intellectual Property Rights (TRIPs), taking place on 18-20 February, failed to narrow the gap on paragraph 6 of the Doha Declaration on TRIPs and health. The TRIPs Council saw a repetition of the old debate with no mention of Council Chair Ambassador Eduardo Perez Motta's proposed draft note on "understandings"(see BRIDGES Weekly, 12 February 2003, <http://www.ictsd.org/weekly/03-02-13/story2.htm>) or Brazil's proposal on eligibility raised at the Tokyo meeting in yet another attempt to break the deadlock. The US, which is blocking the adoption of the Chair's draft paragraph 6 solution of 16 December, is coming under increasing pressure from Democrats at home to soften its stance on disease coverage.

According to paragraph 6 of the Doha Declaration on the TRIPs Agreement and Public Health, the TRIPs Council must find an expeditious solution by the end of 2002 to the problems countries may face in making use of compulsory licensing (i.e. the practice by a government to authorise itself or third parties to use the subject matter of a patent without the authorisation of the right holder for reasons of public policy) if they have insufficient or no pharmaceutical manufacturing capacity. The perceived need to address this issue arose from concerns related to Art. 31(f) of the TRIPs Agreement, which requires that production under compulsory licensing must be primarily for the supply of the domestic market.

Nothing new emerged from the 36 statements on TRIPs and health heard by the TRIPs Council on 18 February. Members largely reiterating their established positions. To the surprise of many, Motta did not present his proposed statement on "understandings" that had

emerged in the discussions, relating to the 16 December draft compromise solution. India, along with many other delegations, again stressed that the 16 December draft provided a good balance for all interests, and added that they were not prepared to accept a limitation of the disease coverage. The US continues to reject the draft, arguing that the disease coverage of the solution should be limited to HIV/AIDS, malaria, tuberculosis and similar infectious diseases (see BRIDGES Weekly, 20 December 2002; <http://www.ictsd.org/weekly/02-12-20/story1.htm>).

During the TRIPs Council meeting, Brazil declined to comment on news reports of its proposal put forward in Tokyo. According to press sources, Brazil had floated the idea of involving the World Health Organization in verifying whether poor countries wishing to use the paragraph 6 solution had insufficient manufacturing capacity to produce the drugs themselves under a compulsory license. As European Trade Commissioner Pascal Lamy noted, this initiative "could contribute to solving this confidence gap which we still have". While declining to endorse or reject the proposal, US Trade Representative Robert Zoellick noted that the issue of limiting the scope of the proposed solution could either be solved by focusing on the disease coverage or on the beneficiary countries.

Eight congressional Democrats have urged the US Administration to show more flexibility in the TRIPs and health discussions. In a letter to Zoellick, three House representatives expressed concern over the US' attempt to limit disease coverage to "infectious epidemics". They believed that the coverage should be broadened, supporting a consultative process between WTO Members and competent authorities, either involving the WHO as proposed by the EU (see BRIDGES Weekly, 15 January 2003; <http://www.ictsd.org/weekly/03-01-15/story1.htm>) or between Members' health ministries. In a separate letter, five Senate Democrats criticised the administration for advocating intellectual property protections for pharmaceuticals "that undermine our nation's commitment" to the Doha Declaration. They urged Zoellick not to seek to narrow the Declaration "through restrictive interpretations of its critical terms".

Motta closed the TRIPs and health discussion in the TRIPs Council by stating that he would report back to the Chair of the General Council on the debate and discuss with his successor, Ambassador Vanu Gopala Menon of Singapore, how to continue the consultations. Menon will take over as TRIPs Council Chair at the end of the meeting on 20 February.

ICTSD reporting; "Brazil offers compromise to break deadlock over TRIPs flexibility on medicines," WTO

REPORTER, 19 February 2003; "Brazil lifts hopes at WTO drugs talks," FT, 17 February 2003; "Members of Congress urge broad compromise on TRIPs and public health," WTO REPORTER, 19 February 2003.

OTHER NEWS

WTO ENVIRONMENT COMMITTEE AUTHORISES MEA OBSERVERS

Meeting from 12-13 February in the special (negotiating) session of the Committee on Trade and Environment (CTE), WTO Members agreed to allow secretariats of certain multilateral environmental agreements (MEAs) to attend the CTE negotiations. The move effectively unblocked an impasse that had dogged the environment talks since the beginning of negotiations after the Doha Ministerial Conference in November 2001. Based on proposals submitted by Canada, India, Switzerland and the US, Members also held substantive discussions around the MEA-WTO relationship, as mandated under para. 31(i) of the Doha Ministerial Declaration. Little headway was made on defining environmental goods, or -- at the regular (non-negotiating) CTE meeting on 14 February -- on making recommendations on future action for the forthcoming Cancun Ministerial.

In paragraph 31 of the Doha Declaration, Members agreed to negotiations on: (i) the relationship between WTO rules and specific trade obligations in MEAs; (ii) procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the criteria for the granting of observer status; and (iii) liberalisation of trade in environmental goods and services.

31(ii) Observership: ad-hoc solution

At the 12-13 February meeting, Members agreed to a proposal brought forward by Chair Yolande Biké (Gabon) to allow MEA secretariats to attend the next meeting of the CTE special session as ad-hoc observers. After some discussion, delegates agreed that existing CTE regular session observers and those with pending requests for observership at the special sessions could qualify to attend. Under this criteria, the UN Environment Programme (UNEP) and six MEAs were authorised -- the Basel Convention on Transboundary Movement of Hazardous Waste, the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), the Convention on Biodiversity (CBD), the Montreal Protocol on Ozone-depleting Substances, the International Tropical Timber Organisation (ITTO), and

the UN Framework Convention on Climate Change (UNFCCC).

According to sources, attendance and participation by these bodies is on a provisional basis, and will be reviewed at each session. Some countries that oppose allowing observers in the negotiating groups, such as Egypt and Malaysia, were explicit in ensuring that the decision was taken without prejudice to the larger observership question (which remains unresolved at the Trade Negotiations Committee/General Council level -- see BRIDGES Weekly, 7 May 2002, <http://www.ictsd.org/weekly/02-05-07/story3.htm>), and applies only to the CTE special sessions. An exception was made in this case due to the nature of the environment negotiating mandate, which many observers say requires the presence of MEA secretariats for a number of reasons, including ensuring better coherence at the international level.

31(i): MEA-WTO relationship analysis begins in earnest

At the last meeting of the CTE special session in November 2002, Members agreed to examine specific trade obligations (STOs) in certain MEAs, complemented by a conceptual analysis (see BRIDGES Weekly, 14 November 2002, <http://www.ictsd.org/weekly/02-11-14/story1.htm>). At the 12-13 February meeting, Members began a substantive discussion along these lines, addressing submissions from the US, India, Canada and Switzerland that were based on a previous WTO Secretariat matrix outlining trade measures pursuant to selected MEAs (WT/CTE/W/160/Rev.1, available at <http://docsonline.wto.org>). Discussions are in a preliminary phase, with delegations putting forward their own ideas around scope of the 31(i) mandate, including which MEAs to consider and what could constitute an STO in these MEAs.

The US submission (TN/TE/W/20) and the Indian submission (not yet available online) advocated limiting the definition of a specific trade obligation in an MEA to one that is mandatory and specific in character. They identified six MEAs that would qualify under this criteria: three that have entered into force -- CITES, the Basel Convention and the Montreal Protocol; and three that have not -- the Stockholm Convention on Prior Informed Consent (PIC), the Rotterdam Convention on Persistent Organic Pollutants (POPs) and the Biosafety Protocol of the CBD. Both countries attached annexes to their submissions laying out those provisions in these agreements they believed qualified as STOs. According to the US, the special session should now begin to build a factual foundation that can subsequently permit the Committee to examine the relationship between these

two sets of international obligations (MEAs and WTO). This position was supported by Australia, ASEAN and Argentina.

In its submission, which was reportedly well-received from many delegations, Canada combined both the US-India 'STO' approach with a conceptual approach (TNTE/W/22). Like the US and India, it also focused on the six aforementioned MEAs, but qualified its stance by saying that it did not view them as the definitive list of all MEAs with STOs, but that examination of the six could provide significant insights. Canada brought forward a number of comments and questions around the scope of STOs. For instance, it said it may be necessary to examine a specific provision in the context of other provisions of an MEA and its objectives, including decisions by Conferences of the Parties and preambular language. It did not consider the UNFCCC or its Kyoto Protocol to contain any STOs.

In a brief paper, Switzerland identified two broad categories of STOs. The first, 'trade measures explicitly provided for and mandatory under MEAs', coincided closely with the STO approach adopted by the US and many other Members. The second, which met with almost universal criticism, denoted 'other measures that are appropriate and necessary to achieve an MEA objective'. According to Switzerland, this category comprises all MEAs setting out types of measures and policies that can and must be adopted in pursuit of a specific objective negotiated by the contracting parties, and which give contracting parties some latitude with regard to the trade-related measures to be adopted (the so-called 'obligation de résultat'). This category would include measures taken under the Kyoto Protocol and other MEAs such as the ITTO and the International Commission for the Conservation of Atlantic Tunas.

31(iii) Environmental goods & services

Regarding environmental goods (which the CTE special session has been tasked by the Negotiating Group on Non-agricultural Market Access to assist in defining), some developing countries expressed concern that the emerging definition of what constituted environmental goods was too heavily focused on goods of interest to developed countries. Most definitions to date have focused on 'end-use', or industrial products that aim to mitigate or clean up environmental pollution. There continued to be little enthusiasm for including so-called process and production methods (PPMs) criteria to define environmental goods, though Switzerland raised the idea of including products with 'environmentally friendly physical characteristics', such as bicycles and solar energy cookers, that could also favour developing country products. Two new papers were submitted: one from Japan outlining its suggested list of environmental

goods that it felt should be included in the Market Access talks (TN/TE/W/171) and another from Qatar on lower-carbon and pollutant-emitting fuels and technologies (TN/TE/W/19).

Regular CTE

Meeting on 14 February, the CTE regular session decided to begin compiling factual reports for the Cancun Ministerial on discussions to date on Doha Declaration paragraphs 32 (effect of environmental measures on market access, Trade-Related Aspects of Intellectual Property Rights (TRIPs) and environmental labelling) and 33 (technical assistance and capacity building for developing countries). Sources said these might be supplemented by recommendations for areas for future action relating to para. 32 (environmental measures and market access) in the event Members came forward with suggestions. Thus far, neither the EC nor Switzerland -- the main demandeurs in this area -- have come forward with proposals. Japan made an intervention in the context of para. 32 on the link between tariff reductions and sustainable fish and forestry management. According to trade sources, this was "less than well-received", with some delegations saying that the link had not yet been well established.

ICTSD reporting.

IN BRIEF

UNDP RELEASES CONTROVERSIAL REPORT ON GLOBAL TRADE

On 30 January UNDP launched the book 'Making Global Trade Work For People', the culmination of an independent review of the multilateral trading regime. The comprehensive 341-page study, while supporting the belief that trade can improve the lives of people, calls into question the automatic link between trade liberalisation and human development that is often espoused by those promoting the current international trading system. Commenting on the reports most important message, Kamal Malhotra, lead author and UNDP Senior Advisor on Inclusive Globalisation, said "the current trade regime needs to shift its focus from promoting liberalisation and market access to providing developing countries with policy space". The book recommends four basic principles to be accepted and operationalised: i) trade is a means to an end - not an end in itself; ii) trade rules should allow for diversity in national institutions and standards; iii) countries should have the right to protect their institutions and

development priorities; and iv) no country has the right to impose its institutional preferences on others.

For a digital copy of the report, visit: <http://www.undp.org/mainundp/propoor/docs/trade-jan2003.pdf>.

"Making Global Trade Work For People," PRESS RELEASE - UNDP, Heinrich Boll Foundation, Rockefeller Brothers Fund, Rockefeller Foundation and Wallace Global Fund, 2003; "New study explores ways that trade can maximize development," UNDP PRESS RELEASE, 5 February 2003.

US ANNOUNCES VOLUNTARY GREENHOUSE GAS MEASURES

The Bush administration, with utilities, automakers, oil refiners and other industries, unveiled commitments mid-February made under a voluntary plan to address greenhouse gas emissions. The targets pledged by industry under the Climate VISION programme focus on decreasing the intensity of emissions per unit of economic production, rather than reductions in absolute emissions volume. US utilities pledged to collectively cut their carbon output intensity by 3 to 5 percent by the end of 2010, while oil refiners set a goal of a 10 percent reduction in emission intensity by 2012. Observers claim that the commitments have been made to stave off pending state and federal proposals for mandatory ceilings. The US, the world's largest emitter of greenhouse gases, has rejected the Kyoto Protocol that requires quantitative emissions reductions.

Environmental groups strongly criticised the plan, noting that the administration's own projections show that US greenhouse gas emissions will continue to grow over the next 10 years even if the goal is reached - thereby confirming that voluntary schemes will not produce substantive results with regard to emission reductions. They called the plan an accounting trick, and Jennifer Morgan, Director of WWF's Climate Change Programme, said "President Bush is missing the opportunity to responsibly manage this threat when he shuns the changes that the country needs to keep environment and economy safe and fit. The US 'Climate VISION' looks backwards instead of facing up to the immediate challenges and opportunities of the future". Some industry groups were also critical, however, cautioning that any voluntary scheme could serve as a precursor for mandatory ceilings.

"US firms set greenhouse gas targets in Bush plan," REUTERS, 14 February 2003; "Emissions Reduction Plan Touted - U.S., Industry Allies Hail Program - Environmentalists Critical," WASHINGTON POST, 13 February 2003; "Voluntary Pacts Reached to Curb

Greenhouse Gases," NY TIMES, 12 February 2003; "US voluntary climate arrangements a dangerous masquerade," WWF PRESS RELEASE, 13 February 2003.

WORKSHOP DISCUSSES COFFEE SECTOR CRISIS

The International Institute for Sustainable Development (IISD) and the UN Conference on Trade and Development (UNCTAD) organised a first multi-stakeholder event for the coffee sector at the global level from 17-18 February. Entitled "Sustainability in the Coffee Sector: Exploring Opportunities for International Cooperation Towards an Integrated Approach," the meeting focussed on the on-going troubles of the coffee sector, affecting both farmers and producing countries. Real prices of the commodity have reached their lowest point in 100 years, leading farmers to abandon farms, cultivate illicit drugs, and to immigrate to urban areas or (illegally) to other countries. Participants -- representing businesses, producer associations, and non-governmental and intergovernmental organisations -- identified oversupply in the sector as a major structural problem, stressing that the issue was difficult to deal with for various reasons, including ecological and financial factors. They sought to identify mechanisms for integrating social, economic and environmental sustainability within the coffee sector, and discussed standard-setting in this regard, without arriving at definitive conclusions. The workshop participants will follow-up with further meetings in the future.

ICTSD Reporting.

PARLIAMENTARIANS DEBATE TRADE

A "Parliamentary Conference on the WTO" met in Geneva from 17-18 February, with 140 parliamentarians from 65 countries in attendance. Organised by the Inter-Parliamentary Union (IPU) and the European Parliament (EP), the conference focussed on access to markets, development dimension of the multilateral trading system, technical assistance and capacity building, agriculture, subsidies, and special and differential treatment. Carlos Westendorp, President of the Parliamentary Commission of Industry, Foreign Trade, Research and Energy of the EP, said "we are convinced that we have to give a parliamentary dimension to the WTO in order to increase its transparency and improve the democratic legitimacy of its activities". The parliamentarians adopted a final declaration, which noted the objective of the meeting to be enhanced transparency of WTO activities, and expressed regret that "negotiating deadlines set in Doha had not been met". The declaration also mandated a continuing program of IPU-EP sponsored "parliamentary

conferences". Future conferences are to include greater civil society contributions and will be held annually and at WTO Ministerial conferences.

ICTSD Reporting; "Parliaments Have A Special Role In Making The International Trading System More Open, More Equitable, More Predictable And Non-Discriminatory," IPU PRESS RELEASE, 18 February 2003.

IN MEMORIAM

Linsu Kim, Chair and CEO of the Humanities and Social Research Council of Korea, and Professor at Korea University in Seoul, passed away on 6 February following an accident. Linsu Kim was highly respected and appreciated for his extensive work in the fields of technology and innovation but also for his kindness, positive attitude and respect for others. Linsu Kim was involved in the ICTSD-UNCTAD Capacity Building Project on IPRs and Development, for which he recently produced a highly valued case study on "Technology Transfer and Intellectual Property Rights: Lessons from Korea's Experience".

WTO IN BRIEF

ARBITRATION PANEL ALLOWS BRAZIL TO IMPOSE SANCTIONS ON CANADA

A WTO arbitration panel has issued a decision allowing Brazil to impose US\$248 million in retaliatory sanctions against Canada in a dispute over aircraft subsidies. However, noting ongoing consultations, the arbitration panel gave the opinion that an agreement addressing the broader context would be the most appropriate solution in the dispute. In a longstanding row, the WTO dispute settlement body (DSB) decided to set up an arbitration panel in June 2002 (see BRIDGES Weekly, 26 June 2002, <http://www.ictsd.org/weekly/02-06-26/story6.htm>). At that time, Brazil claimed that Canada had failed to implement the findings of an independent WTO team of experts that loans provided to the Quebec-based jet maker, Bombardier Inc., were illegal. The Canadian delegation countered by saying that the amount of damages claimed by Brazil (US\$3.36 billion) "was inflated, unjustified and invalid". This dispute is closely tied to two earlier disputes relating to aircraft subsidies: Brazil-Aircraft (WT/DS46/AB/R, available at <http://docsonline.wto.org>) and the original Canada-Aircraft (WT/DS70/AB) dispute. The arbitration decision, from 23 December 2002, was made publicly available on 17 February (WT/DS222/ARB).

ICTSD Reporting; "Brazil allowed by WTO to impose sanctions on Canada in aviation row," AFX, 17 February 2003.

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.

Coming Up This Week: 20 - 26 February

19-21 February, Geneva, Switzerland: FARMERS, FOOD AND TRADE - HEARING ON THE DRAFT REVIEW OF THE WTO AGRICULTURE AGREEMENT. This international workshop for NGOs, farmers and church groups will analyse the draft agricultural text being negotiated under the WTO. The focus of the analysis will be on food dumping, food security and rural development, market volatility, and the right to food. For further information please contact EED (Church Development Service) at tel: +49- 30- 20355-225; email: r.buntzel@gkke.org.

20-21 February: SEMINARIO: EL ALCA, NEGOCIO PARA TODOS? Se analizarán las amenazas y consecuencias del ALCA para la soberanía, la industria, la agricultura, el mercado interior y exterior, los recursos naturales, los servicios públicos, la educación, la salud y los derechos humanos. For further information contact: Hernan Perez Zapata, email: hernanperezapata@hotmail.com.

25 February, London, United Kingdom: MEDICAL PATENTS UNDER TRIPS AND HUMAN RIGHTS. For further information please contact the British Institute of International and Comparative Law, tel: +44 20 7862 5151; fax: +44 20 7862 5152; email: info@biicl.org; or visit: <http://biicl.org/>.

26 February, Geneva, Switzerland: WTO INTRODUCTION DAY. The sixth WTO introduction day aims to introduce newly arrived WTO delegates, non-governmental organisations and interested WTO-interns and staff to the WTO. For further information, contact: Mrs. Syrat, WTO Training Institute, tel: +41-22-739-5631.

26 February, New York, US: MEETING ON DISCLOSURE OF ENVIRONMENTAL INFORMATION: HOW TO PROVIDE ENVIRONMENTAL INFORMATION IN A FORM USEFUL TO FINANCIAL

INSTITUTIONS. For further information contact Chantal Line Carpentier, tel: +1 514 350-4336; email: clcarpentier@ccecmil.org; or visit <http://www.cec.org/calendar/details/index.cfm?varlan=english&ID=1831>.

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.

20 February, Geneva, Switzerland: WTO TRIPS COUNCIL.

20 February, Geneva, Switzerland: WTO COUNCIL FOR TRADE IN GOODS.

20-21 February, Geneva, Switzerland: WTO NEGOTIATING GROUP ON MARKET ACCESS.

20-21 February, Geneva, Switzerland: WTO WORKING GROUP ON INTERACTION BETWEEN TRADE AND COMPETITION POLICY.

21 February, Geneva, Switzerland: WTO TRIPS COUNCIL SPECIAL SESSION.

22 February, Geneva, Switzerland: WTO SYMPOSIUM ON TRADE AND COMPETITION POLICY.

24 February, Geneva, Switzerland: WTO WORKING PARTY ON DOMESTIC REGULATION.

24-26 February, Geneva, Switzerland: WTO TEXTILES MONITORING BODY.

25 February, Geneva, Switzerland: WTO WORKING PARTY ON GATS RULES.

25 February, Geneva, Switzerland: WTO WORKING PARTY ON THE ACCESSION OF UKRAINE.

26 February, Geneva, Switzerland: WTO COMMITTEE ON TRADE IN FINANCIAL SERVICES.

26 February, Geneva, Switzerland: WTO DISPUTE SETTLEMENT BODY.

Other Forthcoming Events

28 February - 1 March, Quezon City, Philippines: PHILIPPINE CONFERENCE ON GLOBALISATION, WAR AND THE WTO. The IBON Foundation is arranging this conference at the University of the Philippines in order to initiate a broad-based educational campaign on the World Trade Organization (WTO), globalisation, and war. There will be a main conference, workshops, a media conference, and a plenary debate. For more information, please visit: <http://www.ibon.org/activities/2003/01/01.htm>.

2-4 March, Brussels, Belgium: GREENHOUSE GAS EMISSIONS TRADING CONFERENCE. The Emissions Marketing Association (EMA) is hosting this conference to promote a better understanding of the greenhouse gas and emission markets. Industry experts will speak on risk management, case studies from the industry, and greenhouse gas business opportunities. For more information on the conference, visit: <http://www.emissions.org/conferences/default.html>.

27-28 March, Louvain-la-Neuve, Belgium: WORKSHOP ON SUSTAINABILITY IMPACT ASSESSMENT AND TRADE LIBERALISATION. This workshop, organized by the SUSTRA Network (a network of European scientists, stakeholders and policy-makers focusing on improving the socio-economic knowledge base) and the University of Louvain, will concentrate on encouraging the development of sustainability impact assessment (SIA) methodology and promoting capacity building in SIA. For more information, please visit: <http://www.agro-montpellier.fr/sustra/>.

27-29 March, New York, US: THE APPEL CONFERENCE 2003 - REGULATION OF FOREIGN DIRECT INVESTMENT. This conference at Columbia Law School will focus issues related to the regulation of foreign direct investment. Participants will address the appropriate level of regulation, as well as type of regulation ("soft" guideline/industry self-regulation/hard law or treaty/private contract) across a variety of issues, including labour, environment, expropriation, competition policy, and corruption. The conference will also launch the Columbia Centre for Global Legal and Policy Problems. For further information please contact Ms. Lenge Hong at tel: +1-212-854-1366; fax: +1-212-854-7946.

1 April, Washington D.C., US: ANNULMENT OF ICSID AWARDS - THE IMPACT OF RECENT DECISIONS. This joint IAI (International Arbitration Institute) / ASIL (American Society of International Law) conference will focus on the recent annulment decisions of the International Centre for Settlement of Investment Disputes (ICSID). The primary cases being looked at are Wena v. Egypt and Vivendi v. Argentina. The

impact of ICSID's application dismissal and partial award annulment in the respective cases will provide the focus for the conference. The Metalclad annulment decision, the function of national courts, and the United States Trade Act that calls for an appellate mechanism in foreign investment will be discussed as well. For further information please contact Nanou Leleu-Knobil at tel: +33-1-5389-7000; fax: +33-1- 5389-7070; email: nleleuknobil@shearman.com.

4-6 April, Durham, North Carolina: INTERNATIONAL PUBLIC GOODS AND TRANSFER OF TECHNOLOGY AFTER TRIPS. The Center for the Study of the Public Domain at Duke Law School is hosting a conference on the intellectual property rights regime in order to examine its economic and legal foundations. Special attention will be paid to the Trade-related Aspects of Intellectual Property Rights (TRIPs) and other international agreements. For more information on the conference, please visit: <http://www.law.duke.edu/trips/index.html>.

10-13 June, St. Gallen / Geneva, Switzerland: MODEL WTO 2003. Hosted by Oikos, a University of St. Gallen student group, this simulation game is a model of the negotiations at the World Trade Organization (WTO). Students are encouraged to apply. Please visit: <http://www.model-wto.org/>.

RESOURCES

"The Kyoto Protocol and the WTO: Institutional Evolution and Adaptation," in the CEPS POLICY BRIEF 28 (December 2002). By Thomas L. Brewer. In this paper, the author analyses studies that have been done on the incompatibility between some of the provisions of the Kyoto Protocol and WTO principles of national treatment and most-favoured nation treatment. The provisions that have been under the most scrutiny for this reason are the Clean Development Mechanism, Joint Implementation, enforcement, emissions trading, and parties' policies and measures. He also examines studies that have proven the two regimes to be compatible and expands upon the pertinent issues on both sides of the argument. To access this paper, please visit: <http://www.ceps.be/Pubs/2002/No28KyotoProtocolAndWTO.pdf>.

THE SKY IS NOT THE LIMIT - THE EMERGING MARKET IN GREENHOUSE GASES. The Trans National Institute (TNI) (January 2003). This paper, which is the first from TNI's new project "Carbon Trade Watch", raises several concerns regarding the economic, environmental, and social justice implications of carbon trading. The authors seek to answer questions about ramifications of the free-market

regime as well as those dealing with the uncertain future of the UN system as a whole and the role the UN plays in carbon trading. To access the briefing paper, please visit: <http://www.tni.org/reports/ctw/sky.htm>.

IS INTERNATIONAL EMISSIONS TRADING ALWAYS BENEFICIAL? By Mustafa Babiker, John Reilly and Laurent Viguiere. MIT Joint Program on the Science and Policy of Global Change, December 2002. This report focuses on the welfare effects of an EU-wide emissions trading regime. Noting that economic efficiency is the major argument for emissions trading, the authors show that while compliance costs may be lower, in some cases welfare can decrease. Based on an MIT-developed general equilibrium model, they show that in the context of an EU-wide emissions trading regime, the introduction of a permit trading system will cause welfare losses for some involved countries. To access the study, visit: http://web.mit.edu/globalchange/www/MITJPSPGC_Rpt93.pdf.

GLOBAL WARMING: EARLY WARNING SIGNS. Union of Concerned Scientists (January 2003 Update). This interactive map, recently updated to include the most current effects, shows the impact that global warming is having on climate, ecosystems, and health throughout the world. These effects are divided into two categories: Fingerprints - events that have already occurred which can be directly linked to global warming, and Harbingers - impacts that could become more frequent as a result of global warming. To view this map, or to order a hardcopy, please visit: <http://www.climatehotmap.org/about.html>.

GLOBAL ENVIRONMENTAL CHANGE AND THE NATION STATE: PROCEEDINGS OF THE 2001 BERLIN CONFERENCE ON THE HUMAN DIMENSIONS OF GLOBAL ENVIRONMENTAL CHANGE. Edited by Frank Biermann, Rainer Brohm, and Klaus Dingwerth (2002). This report, produced by the Potsdam Institute for Climate Impact Research (PIK) consists of a collection of 50 papers from 96 presentations at the conference. These papers examine the role of the nation state in environmental policy and how issues such as new environmental law, sovereignty and a new role of NGOs and IGOs could develop as new environmental concerns emerge. To access this report, please visit: http://www.glogov.org/publications/bc2001/pik_report_80.pdf.

UNIONS AND COLLECTIVE BARGAINING: ECONOMIC EFFECTS IN A GLOBAL ENVIRONMENT. World Bank Group (2003). The authors of this paper argue in favour of unionisation, despite the occurrence of temporary layoffs in unionised firms. Their argument rests on a new World

Bank study, which found that workers covered by collective agreements average higher wages, less working hours, more training, and longer job tenure than those not affiliated with a union. They also state that union membership curbs wage differences between skilled and unskilled workers as well as between women and men. For more information on this paper, please visit: <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20091655~menuPK:34463~pagePK:34370~piPK:34424~theSitePK:4607,00.html>.

THE COMMERCIAL USE OF BIODIVERSITY: ACCESS TO GENETIC RESOURCES AND BENEFIT-SHARING. By Kerry Kate and Sarah Laird (Earthscan, December 2002). In this book, the authors explain the provisions of the Convention on Biological Diversity on access and benefits sharing, and the implications that these will have on national law and individual sectors. To obtain a copy of this book, please visit: <http://www.earthscan.co.uk/asp/bookdetails.asp?key=3839#top>.

RURAL PLANNING IN DEVELOPING COUNTRIES: SUPPORTING NATURAL RESOURCE MANAGEMENT AND SUSTAINABLE LIVELIHOODS. By Olivier Dubois, Barry Dalal-Clayton and David Dent. IIED/Earthscan (January 2003). In this book, the authors explain the need for rural planning in developing countries, and contend that the extent of this planning will directly influence the success of economic development. The authors also analyse case studies in Africa, Asia, and Latin America and determine the practices that have led to the most efficient outcomes in these situations. For a copy of this book, please visit: <http://www.earthscan.co.uk/asp/bookdetails.asp?key=3847#top>.

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