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LEAD STORIES

LAMY SETS END-JUNE DEADLINE FOR AG, NAMA MODALITIES	1
AG CHAIR TO PRODUCE DRAFT TEXT AROUND 19 JUNE, AS MEMBERS REMAIN DIVIDED ON SUBSIDY CUTS	2
SERVICES NEGOTIATIONS WAITING FOR MOVEMENT ON AG, NAMA	4
WORLD HEALTH ASSEMBLY ADOPTS RESOLUTIONS ON R&D, TRADE AND HEALTH	5
IN BRIEF	
CARICOM WORRIED ABOUT MISSED DOHA DEADLINES, HIGHLIGHTS DEVELOPMENT CONCERNS	7
SUSAN SCHWAB'S APPOINTMENT AS USTR DELAYED AS PORTMAN MOVES ON	7
WTO IN BRIEF	
AID FOR TRADE TASK FORCE RECOMMENDATIONS STARTING TO TAKE SHAPE	8
GAMBLING DISPUTE: ANTIGUA SEEKS COMPLIANCE FROM US	8
EVENTS & RESOURCES	
VACANCIES	8
EVENTS	9
RESOURCES	10

LEAD STORIES

LAMY SETS END-JUNE DEADLINE FOR AG, NAMA MODALITIES

WTO Director-General Pascal Lamy on 30 May set an end-June deadline for a deal on 'modalities' for how much the Doha Round will cut farm subsidies as well as tariffs on both agricultural and industrial products. He told an informal heads-of-delegation meeting that this would be necessary for Members to wrap up the negotiations by the end of the year, as scheduled.

Insisting that the deadline was achievable if Members worked together "constructively, ambitiously and with a greater sense of urgency," Lamy said that "direct ministerial involvement" in Geneva would likely be needed towards the end of June in order to finalise an agreement. He told ambassadors that he had asked the chairs of the negotiating groups on agriculture and non-agricultural market access (NAMA) to produce draft agreement texts "on or around 19 June." This would allow Geneva-based negotiators to discuss them and set the stage for a ministerial-level gathering at WTO headquarters during the last week of the month.

Sources suggest that ministers from dozens of countries could join trade negotiators in hashing out the final details. This would resemble the intensive negotiations at the end of July 2004, when ministers from some 30-40 Members came to Geneva to help broker the 'July Framework' agreement that revived the Doha Round talks, which had been moribund since the collapse of the Cancun Ministerial Conference in September 2003. Some civil society groups had criticised the July 2004 negotiations for excluding smaller delegations; they are concerned that this could happen again at the end of June (see BRIDGES Weekly, 3 August 2006, <http://www.ictsd.org/weekly/04-08-03/story1.htm>).

Lamy stressed the importance of agreeing on agriculture and NAMA modalities in June. Telling Members that they must "avoid, at all costs, backloading this work into July," he warned that doing so would risk a "traffic jam" with other negotiating areas.

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Members still divided on ag and NAMA

Modalities on agriculture would require agreement on numbers and formulae for tariff and subsidy cuts, along with an understanding about the number and treatment of 'sensitive' and 'special' products that would be shielded from the full force of tariff reduction. NAMA modalities would entail figures that determine how much countries will have to cut industrial tariffs, how many products developing countries will be able to shield from the tariff reduction formula, and the treatment of tariff lines not currently subject to binding caps.

With Members still divided on agriculture and NAMA, achieving modalities will be an uphill task. Agriculture Chair Ambassador Crawford Falconer (New Zealand) admitted to delegates on 30 May that the 19 June target for an initial draft text was earlier than what he had been expecting. The same day, NAMA Chair Ambassador Don Stephenson (Canada) said that the contents of the text that he would prepare depend on Members: if their positions converge enough, he will put together a draft modalities text; if not, he will simply provide comments on different possible options. Both Falconer and Stephenson urged Members to narrow their differences on enough issues to allow for the creation of draft texts that would leave ministers with a manageable number of political decisions to take at the end of June.

Lamy has long said that a way out of the deadlock would require progress on a 'triangle' of issues: the US would have to agree to deeper cuts in domestic farm support, the EU to lower farm tariffs further, and developing countries such as Brazil and India to move on industrial tariffs.

The EU has recently suggested that if the US and developing countries moved on their respective areas, it could somewhat enhance its offer on agricultural market access (see BRIDGES Weekly, 24 May 2006, <http://www.ictsd.org/weekly/06-05-24/story1.htm>). EU Trade Commissioner Peter Mandelson told a European Parliament committee on 29 May that "if the US can come closer to what the G-20 developing countries are seeking in the reduction of farm subsidies -- as we can on market access -- I am confident that a deal will be in sight." The US has dismissed the EU's hints at a deepened market access offer as too minor to merit any new concessions on domestic support.

June modalities simplify July, but is it possible?

Lamy was emphatic about the need to solve the problems in the agriculture and NAMA negotiations in June, along with finalising the nearly-complete deal on transparency with regard to regional trade agreements,

so that Members can turn their attention to other issues in July.

For instance, the Hong Kong Declaration stipulates that countries are supposed to table a new round of offers to liberalise services trade by 31 July. However, many developing countries have been unwilling to commit to opening new sectors to foreign competition without a better idea of what was going to be agreed on agriculture and NAMA. Members are also supposed to agree on several other issues by the end of July, including trade facilitation, anti-dumping, how to restrain fisheries subsidies, and the treatment of small and vulnerable economies.

Some negotiators question whether an agreement is possible in a matter of weeks, given that almost no concrete progress, even on relatively minor issues, has emerged from a month of continuous negotiations that were launched after Members missed the last deadline for modalities at the end of April.

Nevertheless, others believe that Members' differences are not insurmountable. They argue that the subsidy and tariff cuts already on offer are significant, and that they risk being lost.

If Members cannot reach a deal by the end of July, it would become very difficult for them to finalise a Doha Round package by March 2007, the last date for the Bush Administration to submit a trade agreement for Congressional approval before the expiry of its 'fast-track' trade promotion authority.

One trade official noted that in the event that a ministerial-level gathering in the last week of June were unable to yield a deal on modalities, enough time would remain to bring ministers back for a last-ditch meeting at the end of July.

ICTSD reporting; "Lamy sets end-June target for key WTO trade deal," REUTERS, 30 May 2006; "Deadline set for tariff and subsidy deal," FINANCIAL TIMES, 31 May 2006.

AG CHAIR TO PRODUCE DRAFT TEXT AROUND 19 JUNE, AS MEMBERS REMAIN DIVIDED ON SUBSIDY CUTS

Doha Round agriculture Chair Ambassador Crawford Falconer (New Zealand) told an informal meeting on 30 May that he would circulate an initial draft 'modalities' text the week of 19 June, as per the timeline set out by WTO Director-General Pascal Lamy earlier that day (see related story, this issue). Falconer will do so in spite of persistent divisions on both tariff and subsidy

cuts -- he cut short the scheduled discussion on overall trade-distorting support (OTDS) and its constituent 'amber box' payments after concluding that Members were saying nothing new that might enable them to bridge differences.

Lamy set the end of June as a target date for modalities. He asked Falconer and the chair of the non-agricultural market access (NAMA) negotiations to produce draft texts based on the ongoing negotiations by around 19 June in order to allow ministers to meet during the last week of the month to make necessary political tradeoffs. A modalities deal in agriculture would require agreement on figures for tariff and subsidy cuts, as well as on the number and treatment of 'sensitive' and 'special' products that will be shielded from the full force of tariff reduction.

Trade diplomats reported that the situation on domestic support remained hazy, as negotiators waited to see whether the US would respond positively to the EU's recent hints that it may be able to go somewhat beyond their existing offer on agricultural market access. Several Members have long believed that the EU needed to agree to deeper tariff cuts, and the US to more substantial subsidy reductions. However, US officials have publicly dismissed suggestions that the EU had significantly shifted its position.

Falconer: "difficult political decisions needed"

On 24 May, Falconer issued new 'reference papers' -- one on OTDS, the other on amber box and de minimis payments -- outlining areas of convergence and disagreement in the negotiations, as part of the week's focus on domestic support.

The July 2004 Framework (WT/L/579) defines OTDS as the sum of Members' permissible levels of 'amber box' (highly trade-distorting), 'blue box' (relatively less trade-distorting) and 'de minimis' support.

Members have proposed different specific percentage cuts for OTDS and amber box spending, as well as various options for cutting blue box and de minimis support.

At the Hong Kong Ministerial Conference, governments agreed to classify Members into three tiers for the purposes of calculating reductions to OTDS and amber box support: the first containing the EU, which would have to make the biggest percentage cuts; the second containing the US and Japan; and the third containing all other countries. However, the major subsidisers, principally the US and the EU, remain divided -- and have been largely unwilling to budge -- on the precise numbers for the reductions. "Difficult political decisions are needed," Falconer said in his paper on the amber

box, urging Members to narrow their differences. Also undetermined is the extent of extra cuts that will be asked of smaller countries that heavily subsidise agricultural production.

Convergence on base periods

The Hong Kong Declaration also stipulates that the agreed cut to OTDS "will still need to be made even if the sum of the reductions in [amber box], de minimis and blue box payments would otherwise be less than that overall reduction." This was an attempt to make it harder for Members to reclassify subsidies under different categories in order to minimise actual reductions.

The basis for calculating amber box (final bound total aggregate measurement of support, or AMS) reduction commitments is straightforward, as it is the number listed in each Member's 'schedule of commitments' from the end of the Uruguay Round.

In contrast, non-product-specific and product-specific 'de minimis' spending by developed countries is capped at 5 percent of the total value of agricultural production over a certain period. The July Framework limits blue box spending at the same level. However, Members have yet to agree on which years will constitute the 'base period' over which these production values will be calculated.

Falconer's reference paper on OTDS noted that there seemed to be a broad consensus around using 1995-2000 -- the implementation period for Uruguay Round commitments -- as the base period for calculating blue box reductions by developed countries. It also said that Members were yet to agree on whether developing countries should use the same period or whether they should use 1995-2004 instead, although some sources suggest that they were starting to converge on the latter.

Similar periods have been discussed for capping de minimis support - although the US has proposed using production values from 1999-2001 instead. Sources suggest that the US prefers this period because it would take into account significant increases in production levels for particular products, and thus lead to higher product-specific de minimis caps. The reference paper noted that this debate risked "go[ing] on endlessly," and that one practical proposal would be "to use the period 1995-2000 except in cases where support was introduced after the year 2000."

Members still need to agree on how much to cut blue box and de minimis spending. Some delegations have proposed halving the cap for blue box payments to 2.5 percent of production value, although the G-20 would

eventually like to see it reduced even further. Falconer identified a "zone of engagement" between proposals that would limit each kind of de minimis support to 1 percent of production value and those that would only cap it 2.5 percent.

Other issues remain unresolved

A number of issues remain unresolved in addition to the depth of the cuts which Members will have to make to OTDS. For instance, the G-20 group of developing countries want the cuts front-loaded, so as to cross quickly the 'water' between Members' bound ceiling levels and the subsidies they actually grant. Members already agreed in Hong Kong to front-load the implementation of export subsidy reduction commitments. The US has countered that if domestic support reductions are to be front-loaded, then market access cuts should be too. This in turn has been resisted by the EU.

Negotiators also need to finalise 'special and differential treatment' measures for developing countries. Proposals have generally called for lower reduction rates and longer implementation periods.

Members must further decide how cotton subsidies might be reduced "more ambitiously" and quickly than grants to other products. Benin, Burkina Faso, Chad, and Mali have called for a supplemental percentage cut for amber box cotton subsidies, as well as for an implementation period one-third as long as the standard (see BRIDGES Weekly, 8 March 2006, <http://www.ictsd.org/weekly/06-03-08/story2.htm>). Falconer recalled that their proposal pointed out that the mandate for greater ambition extended to all kinds of OTDS. He suggested that resolution of the cotton issue would be "intimately related" to the eventual agreement on the general reduction formula.

Also unresolved is the issue of how to ensure that all countries respect their commitments. Some Members want a new "Sub-Committee on Monitoring and Surveillance"; others have argued for penalising countries whose subsidy notifications are overdue (as is currently the case for the US). Other proposals include in-depth examinations of Members' notifications, with annual reviews for the EU, the US and Japan.

Schedule outlined towards 19 June

Falconer intends to hold informal meetings on domestic support for the rest of the week, followed by discussions on market access from 6 June. He plans to issue a 'compendium' paper on all market access issues before a 9 June meeting, which, he has warned, could continue into the weekend. The week beginning 12 June will cover export competition.

Falconer emphasised that if ministers and top officials meet at the end of the month as planned, it is vital that the draft text placed before them contains a manageable number of decisions to make. He therefore urged negotiators to use the time remaining before 19 June to narrow their differences.

ICTSD reporting.

SERVICES NEGOTIATIONS WAITING FOR MOVEMENT ON AG, NAMA

Many developing countries are waiting to see what comes out of the ongoing talks on agriculture and non-agricultural market access (NAMA) before committing themselves to anything on services, said trade diplomats after a ten day-long 'cluster' of services meetings primarily dedicated to market access negotiations.

The cluster, which concluded with a Council on Trade in Services Special Session (CTS-SS) on 24 May, had not originally been scheduled at the start of the year, but was subsequently added at the behest of Members ostensibly keen on having more time devoted to negotiations on the relatively new plurilateral requests for liberalisation.

Plurilateral process ineffective?

A number of delegates, however, observed that rather than having more plurilateral meetings, some of the demandeurs in the services talks, such as the US and the EU, simply ended up conducting more bilateral negotiations. This has led some to conclude that even the sponsors of collective requests have come to accept that the plurilateral approach to negotiations has largely been ineffective in furthering the market access negotiations in services trade.

Nevertheless, countries which remain earnest in the use of the plurilateral approach, such as Canada, Hong Kong, Chile and Mexico, though apparently disappointed in their fellow demandeurs' bilateral focus, maintain that the plurilateral approach still leads to more focused discussions on specific services sectors, as well as the opportunity for increased clarity, certainty, coherence and comparability in the classification and scheduling of commitments, as mandated by Annex C of the Hong Kong Ministerial Declaration.

Still, trade observers noted that the relatively short interval between this cluster and the first series of plurilateral meetings in April may have doomed the recent negotiations from the start. The turn-around time failed to provide recipients of plurilateral requests

sufficient time to study more closely the various elements and implications of the liberalisation commitments being sought.

Similarly, conspicuously fewer sectoral experts and regulators were able to attend these plurilateral negotiations than those in April. Consequently, plurilateral meetings did not even take place on a few services sectors which were the subject of collective requests, such as legal services. Most delegates concurred that the plurilateral discussions were less substantive than had earlier been hoped for, with a number of meetings in fact lasting barely an hour.

June deadline could provide boost to talks

Sources indicate that due to broader considerations, many Members are reluctant to engage in intensive services talks, whether plurilaterally or bilaterally. They appear to prefer a wait-and-see attitude, particularly in relation to the agriculture and NAMA negotiations. A delegate from a major developing country said that "unquestionably, unless there is some movement in the agriculture and NAMA discussions, the outcome in services will be meaningless." The same source emphasised that "there is simply no motivation for Members, especially developing countries, to broaden and deepen their offers of liberalisation commitments given the absence of meaningful progress in the more critical areas of negotiations."

Trade analysts say that this negotiating dynamic may change should concrete results emerge from WTO Director-General Pascal Lamy's call for a renewed push towards modalities on agriculture and NAMA by the third week of June, coupled with a ministerial-level meeting at the end of the month to finalise a deal (see related story, this issue).

In fact, services Chair Ambassador Fernando de Mateo (Mexico) is scheduled to hold consultations on 1 June to ascertain whether the next round of market access negotiations, which normally would take place during the second week of the services cluster scheduled for 19-30 June, ought to be deferred beyond the new deadline for agriculture and NAMA modalities suggested by Lamy. Sources believe that de Mateo is apparently anticipating that enough headway on those modalities would be made by the end of June to prod Members to engage more seriously in the request-offer negotiations, and to consider substantially improving their next round of revised offers. The new revised offers are due to be submitted by 31 July, according to the Hong Kong Declaration.

In a bid to boost the political profile of the services negotiations, sources say that the EU may seek to link them to the ministerial-level meeting slated for the last

week of June, by asking ministers to conduct a stock-taking of the progress on services as well. Trade observers opine however that while this may accomplish the objective of highlighting the importance of making progress in services, it may not necessarily hasten substantial changes to Members' liberalisation commitments.

For now, the only area of the services talks which appears to have a distinct momentum of its own is the negotiation on possible disciplines on domestic regulation. In the last few weeks, Members have tabled several papers, new and revised, with a view to providing the chair of the Working Party on Domestic Regulation with a palette of elements for preparing a consolidated draft text at the end of June.

ICTSD reporting.

WORLD HEALTH ASSEMBLY ADOPTS RESOLUTIONS ON R&D, TRADE AND HEALTH

World Health Organisation members have agreed to launch official discussions on a global strategy to promote "needs-driven" research and development aimed particularly at finding treatments to diseases that disproportionately affect developing countries. Public health advocates have hailed the decision as a 'historic opportunity.' They believe that it could ultimately serve to encourage research and development on diseases that have thus far been largely ignored by the pharmaceutical sector, since developing new drugs has not offered sufficiently lucrative profits under the traditional patent system.

On 27 May, the WHO's main governing body, the World Health Assembly (WHA) passed a resolution (A59/A/Conf. Paper No 8) encouraging member countries to "make global health and medicines a priority sector" and take into account the recommendations of a recent report by the Commission on Intellectual Property, Innovation and Public Health (CIPiH; see BRIDGES Weekly, 5 April 2006 <http://www.ictsd.org/weekly/06-04-05/inbrief.htm#1>). It established an intergovernmental working group to negotiate the action plan on research and development over the next two years.

Final resolution transcends past differences

The adopted resolution was based on two draft resolutions: one put together by the WHO Secretariat based on the CIPiH report (A59/16 Add.1), and the other, originally tabled by Kenya and Brazil (EB117.R13), calling for the establishment of a

mechanism to consider proposals on a 'global framework' on needs-driven research and development. The CIPIH report suggested that intellectual property protections alone were not sufficient incentive to ensure the satisfaction of public health needs in developing countries, though critics pointed to its lack of systemic recommendations. Both draft resolutions met with significant opposition from some WHO members at a preparatory meeting for the WHA. In the versions of the two that were ultimately forwarded to the WHA, large segments of text were placed within square brackets, signifying the absence of consensus.

During the WHA, both draft resolutions were discussed in a technical committee. Countries differed over how to deal with them: some members, such as Kenya, favoured treating the two separately, while most other countries suggested fusing the two to establish a single working group, arguing that they addressed comparable approaches to similar issues. Some disagreement existed with regard to the actual composition and functioning of the working group, as well as Brazil and Kenya's use of the word 'framework.' Certain member states including the US, the EU, and Switzerland were uneasy about this term, since they felt it would imply the creation of a new legally binding instrument. The draft resolutions were finally merged, after discussions moved from the technical committee to a draft working group chaired by Switzerland.

The final resolution, entitled 'Public health, innovation, essential health research and intellectual property rights: towards a global strategy and plan of action' (A59/1/Conf.Paper No 8), incorporated much of the originally separate draft resolutions. It "urges member states to consider the recommendations of the [CIPIH] report" and establishes "an intergovernmental working group open to all interested Member States to draw up a global strategy and plan of action in order to provide a medium term framework based on the recommendations of the Commission.... [as well as] securing an enhanced and sustainable basis for needs-driven essential health research..." The decision requested the Secretariat to immediately set up and finance this working group, specifically seeking the inclusion of representatives of from non-member countries, non-governmental organisations (NGOs) and inter-governmental organisations (IGOs). Finally, the working group was requested to report back to the WHA of 2007, and to submit a final global strategy and plan of action to the WHA of 2008, two years from now.

NGOs and humanitarian groups such as Medicins Sans Frontieres (MSF), the Consumer Project on Technology (CPTech), and Health Action International (HAI) had long campaigned for the framework, arguing that the patent-based intellectual property model of rewarding innovation had failed to produce medicines for diseases

that affect the poor. MSF hailed the adoption of the resolution as a 'breakthrough agreement.' HAI described the negotiations that will take place in the working group as "an historic opportunity for all actors in global public health to respond to the call of the member states to do something meaningful and lasting to improve global public health."

In addition to intense lobbying by public health advocates, observers have attributed particular credit for the success to skilful diplomatic manoeuvring by Kenya and Brazil, the US' decision to move away from its initial opposition, and Switzerland's chairing of the drafting group.

The challenge now will be for the intergovernmental working group to come up with clear objectives and priorities for research and development and set up mechanisms that can fund them.

Separate resolution calls for policy coherence in trade and health

The WHA also passed a separate resolution calling for greater collaboration among relevant government ministries in order to improve coherence between international trade and health policies. It suggests coordination meetings and dialogues among different ministries, as well as better use of existing policies and laws that attempt to address the challenges posed by trade to health. The resolution calls on the Director-General of the WHO to support member states in implementing this resolution and to report back to the WHA in 2008.

For the information on the WHA, including this session's resolutions see:
<http://www.who.int/mediacentre/events/2006/wha59/en/index.html>

ICTSD reporting; "WHO to prompt R&D for poorer countries," FINANCIAL TIMES, 29 May 2006; "World Health Assembly Passes Breakthrough Resolution, MSF Hails Move as 'Crucial First Step' toward Global R&D Framework That Meets Health Needs," MEDECINS SANS FRONTIERES PRESS RELEASE 27 May 2006; "Bush Administration Plays Very Positive Role in UN Debate Over R&D and Access to Medicine" James Love in HUFFINGTON POST, 27 May 2006.

IN BRIEF

**CARICOM WORRIED ABOUT MISSED
DOHA DEADLINES, HIGHLIGHTS
DEVELOPMENT CONCERNS**

On 29 May, Guyanese Minister of Foreign Trade and International Cooperation Clement Rohee released to the press a statement on the Doha Round WTO negotiations on behalf of the Caribbean Community and Common Market (CARICOM).

The statement, which expressed concern over the missed 30 April deadline for agreeing on agriculture and non-agriculture market access (NAMA) modalities, was addressed to WTO Director-General Pascal Lamy, EU Trade Commissioner Peter Mandelson, US Trade Representative Rob Portman and the trade ministers of Brazil, India and Japan. Similar messages were also sent to the respective coordinators of the Least Developed Country and Africa Groups -- Zambian Trade Minister Dipak Patel and his counterpart from Benin, Fatiou Akplogan.

Highlighting CARICOM's interest in the Doha Round, Rohee said that although the region was interested in all areas, agriculture and NAMA were its priority areas. In agricultural market access negotiations, he noted the importance of the tariff reduction formula, long-standing preferences and preference erosion, sensitive products, special products and the special safeguard mechanism.

With regards to the Aid for Trade initiative, the minister said that CARICOM countries felt that such funds should come over and above existing assistance, should be guided by principles such as predictability and coherence, and "should be flexible enough so as to accommodate the needs of the targeted beneficiaries." Furthermore, CARICOM felt that there should be no new conditionalities which would render Aid for Trade ineffective.

Rohee concluded that while CARICOM remained committed to the multilateral process, and was ready to work with other members to realize the objectives of the Doha Round, the bloc expected the outcome of the negotiations to take development concerns into account. He cautioned that "it would be difficult for the region to accept anything less."

ICTSD reporting; "Rohee writes WTO players on failure to agree market access," STABROEK NEWS, 29 May 2006.

**SUSAN SCHWAB'S APPOINTMENT AS
USTR DELAYED AS PORTMAN MOVES
ON**

Congressional confirmation of Susan Schwab's appointment as US Trade Representative has been stalled by US Senator Chuck Schumer (Democrat-New York) over concerns about how aggressive she would be in pushing China to open its markets. Schwab, currently Deputy US Trade Representative, was tapped by the Bush Administration to succeed Rob Portman when he was nominated in April for the post of White House Budget Director (See BRIDGES WEEKLY, 26 April 2006, <http://www.ictsd.org/weekly/06-04-26/story5.htm>). The Senate confirmed his appointment on 26 May.

The Senate was expected to approve Schwab's appointment last week, before the week-long Memorial Day recess. However, Schumer blocked a procedure which would have allowed her to be confirmed through a unanimous voice vote. Her nomination will now be subject to formal debate in the Senate as well as a roll call vote.

Schumer, joined by Senator Lindsey Graham (Republican-South Carolina), detailed his concerns and questions, largely about financial services liberalisation in China, in a letter addressed to the nominee.

"I simply believe that this is a very critical time for US trade relations, and I felt that your responses to several of my questions at your nomination hearing, particularly as they related to China and financial services, were unnecessarily evasive and unhelpful," Schumer said.

Schwab is expected to respond to the concerns raised in the Schumer-Graham letter before the Senate takes up her confirmation again. Administration officials have indicated that they are hoping this will happen when the Senate returns on 5 June.

Current US Trade Representative Rob Portman is expected to be sworn in to his new post at any time. An acting US Trade Representative may be appointed upon his departure.

ICTSD reporting; "Sen. Schumer seeks floor debate on USTR nominee" REUTERS, 24 May 2006; "Schumer to Delay Approval of US Trade Rep Nomination over Concerns on Trade Reciprocity in China," USTR RELEASE, 26 May 2006; "Schumer Bars Vote on Trade Nominee," NEW YORK TIMES, 26 May 2006; "Schumer to Delay Trade Nominee," WASHINGTON TIMES, 27 May 2006.

WTO IN BRIEF

**AID FOR TRADE TASK FORCE
RECOMMENDATIONS STARTING TO
TAKE SHAPE**

At the 29 May meeting of the WTO's Aid for Trade (A4T) Task Force, WTO Director-General Pascal Lamy presented the findings of his bilateral consultations with various international organisations, financial institutions and WTO Members.

Lamy noted that international organizations and WTO Members are willing to participate in an A4T scheme, so long as new A4T funds are delivered through existing mechanisms. He also insisted that the A4T package should run parallel to the Doha Round talks and go into effect when the negotiations are completed.

Noting that the Task Force should consider the opinions of the International Monetary Fund (IMF) and the World Bank, Lamy pointed to the September meeting in Singapore where the Bretton Woods institutions will likely discuss their contribution to A4T.

Task Force Chair Ambassador Mia Horn af Rantzen (Sweden) presented a preliminary outline of issues that will be addressed in the draft report that the Task Force will present to WTO Members in July. Members agreed that there seems to be a growing consensus on a general framework for the mechanism, as well as the view that the process should be demand-driven, and that conditionalities should be either inexistent or extremely limited.

Mauritius (on behalf of the Group of African, Caribbean, and Pacific countries), Brazil, Colombia and the EU each submitted a paper on their views on A4T at the meeting.

Canadian Ambassador Don Stephenson reported on the final recommendations of the Integrated Framework Task Force (IFTF), which he chairs. Specifically, it has suggested to Members that the Integrated Framework should remain a least-developed country (LDC)-specific mechanism, but that its governance, implementation, and beneficiary country 'ownership' need to be improved.

A Task Force meeting open to all WTO Members is scheduled for 12 June; another gathering, limited to its 13 Members, is set to take place four days later. Sources report that a first draft of recommendations should be ready by 3 July.

ICTSD reporting.

**GAMBLING DISPUTE: ANTIGUA SEEKS
COMPLIANCE FROM US**

On 25 May, the minister of finance and the economy for Antigua and Barbuda, Errol Cort, announced that Antigua and the US had agreed on procedures for reviewing whether the US had taken measures to comply with the recommendations of the DSB in the gambling dispute (see BRIDGES Weekly, 13 April 2005, <http://www.ictsd.org/weekly/05-04-13/story2.htm>; and 5 April 2006, <http://www.ictsd.org/weekly/06-04-05/wtoinbrief.htm#2>).

According to Cort, the agreed procedures have been communicated to the WTO's Dispute Settlement Body (DSB). Under these procedures, the parties will request the creation of a panel to decide on whether the US is in compliance with the ruling. If the panel finds that the US is not in compliance, Antigua will then request the DSB for permission to retaliate against the US.

Antigua has expressed concern about two new bills introduced in the US Congress earlier this year, purporting to rectify the inconsistencies WTO judges found to be associated with the cross-border supply into the US of gambling and betting services (see BRIDGES Weekly, 1 March 2006: <http://www.ictsd.org/weekly/06-03-01/WTOinbrief.htm#3>). According to Antiguan WTO Ambassador John Ashe, the Caribbean island nation remains open to discuss its concerns about the new bills with the US outside the WTO dispute settlement court.

ICTSD reporting; "Antigua-Barbuda presses for online gaming dispute resolution," CARIBBEAN NET NEWS, May 26, 2006.

EVENTS & RESOURCES

VACANCIES

The Center for International Environmental Law (CIEL) is seeking an attorney to join its Geneva office to direct CIEL's Intellectual Property and Sustainable Development Project. S/he will be responsible for the development of innovative solutions to legal and policy questions arising at the interface of international law relating to environment and health, trade, and development, with a particular focus on the rules and institutions of the WTO, the World Intellectual Property Organization (WIPO), the World Health Organization (WHO), the Food and Agriculture Organization (FAO),

the Convention on Biological Diversity (CBD), as well as regional and bilateral trade. In particular, the attorney will be responsible for monitoring these processes and providing advice and support to non-governmental organisations, intergovernmental organisations, and government ministries and missions (especially from developing countries). Candidates must have legal qualifications, preferably a master's degree in international law, as well as fluency in spoken and written English. Applicants should send a cover letter, along with their CV and a writing sample to Sofia Plagakis, at splagakis@ciel.org. The deadline for applications is 19 June 2006. For more information, please see http://www.ciel.org/Join/IP_Director_30May06.html.

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.

Upcoming Events: 1-7 June

1-2 June, Ho Chi Minh City, Vietnam: ASIA-PACIFIC ECONOMIC COOPERATION (APEC) MEETING OF MINISTERS RESPONSIBLE FOR TRADE. Ministers from APEC's 21-member economies will meet to discuss the liberalisation of trade and investment in the Asia-Pacific region. For further information contact the APEC Secretariat, tel: +65 6775 6012; fax: +65 6775 6013; email: info@apcc.org; internet: www.apcc.org

2 June, Washington, DC, US: THE FARM BILL AND THE WTO DOHA ROUND: A SPECIAL EDUCATIONAL SEMINAR ON AGRICULTURAL NEGOTIATIONS. Hosted by the Washington International Trade Association (WITA), the three-hour seminar is aimed at demystifying the WTO agricultural negotiations, outlining the framework of US farm policy, and exploring changes in US agricultural policy. The event will be facilitated by Jim Grueff, a former US trade negotiator. For further information contact WITA, tel: +1 202 312-1600; fax: +1 202 312-1601; email: events@wita.org; internet: <http://www.wita.org/>.

7-9 June, Geneva, Switzerland: INTERREGIONAL INTERMEDIATE SEMINAR ON INDUSTRIAL PROPERTY. The objectives of the annual seminar are to: provide training and information on various aspects of industrial property; promote debate on topical issues among the participants through case studies; raise awareness of the role of intellectual property as a tool

for development and to enhance and develop skills in the management of industrial property in intellectual property offices, especially in a fast-changing environment. The seminar will be followed by specialised training courses organized in cooperation with partner institutions in various patent or trademark offices from 12-23 June. For further information contact the WIPO Worldwide Academy, email: academy.mail@wipo.int; internet: <http://www.wipo.int/academy/en/>

5-9 June, Washington DC, US: GLOBAL ENVIRONMENTAL FACILITY (GEF) COUNCIL MEETING. The GEF's main governing body will meet for purposes of developing, adopting, and evaluating its programs. For more information contact the GEF Secretariat; tel: +1 202 473-0508; fax: +1 202 522-3240; email: gef.gefweb.org; internet: http://www.gefweb.org/Documents/Council_Documents/council_documents.html

7 June, Paris, France: SIXTH INTERNATIONAL FORUM ON AFRICAN PERSPECTIVES: "2006, AFRICA ON THE MOVE." Organised by the Organisation for Economic Cooperation and Development (OECD), the forum will bring together eminent personalities from African and developed countries. The objective is to engage a wide audience -- comprising government, the private sector, civil society and the media -- in debate, sharing visions and proposals for the economic development of the continent. For more information contact Christian Maloumby; tel: +33-1 45 24 96 43; e-mail : Christian.Maloumby@oecd.org; internet: http://www.oecd.org/site/0,2865,en_21571361_365011_96_1_1_1_1,00.html

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.

1 June: Committee on Trade and Development, Special Session

2 June: Government Procurement Committee

7-9 June: Trade Policy Review Body – Iceland

Other Upcoming Events

9 June, London, England: AID FOR TRADE: ITS ROLE IN WTO NEGOTIATIONS & IN LONG-TERM DEVELOPMENT. Organised by the Overseas Development Institute. As part of the Economic and Social Research Council Research Seminar Series on international trade & labour markets, the workshop aims to bring together policy makers, development agencies, non-governmental organisation (NGO) representatives, academics, and other experts to discuss aid for trade in the WTO, as well as possible long-term implications of trade-related assistance for developing countries. For more information contact ODI, email: meetings@odi.org.uk; internet: www.odi.org.uk/esrc_seminar.

3-4 July, Geneva, Switzerland: WRAP-UP WORKSHOP ON UNCTAD'S CAPACITY BUILDING PROJECT ON TRADE AND ENVIRONMENT AND ANNUAL SESSION OF THE CONSULTATIVE TASK FORCE ON ENVIRONMENTAL REQUIREMENTS AND MARKET ACCESS FOR DEVELOPING COUNTRIES. Organised by the UN Conference on Trade and Development (UNCTAD). The multi-stakeholder meeting will focus on the implications of environmental and related health requirements for developing country export markets and consider proactive approaches to meeting these requirements. For further information contact Nuria.Castells; email: nuria.castells@unctad.org; internet: http://r0.unctad.org/trade_env/test1/openF1.htm.

RESOURCES

BRIDGES TRADE BIORES – TRADE AND BIOLOGICAL RESOURCES NEWS DIGEST. By the International Centre for Trade and Sustainable Development (ICTSD) and IUCN – The World Conservation Union. How can trade impact on the environment? Can trade rules be made more supportive of biodiversity protection? Bridges Trade BioRes is a bi-weekly electronic publication providing news reporting on a range of relevant issues at the intersection of biodiversity and international trade. These include biotechnology, forestry, fisheries, endangered species, chemicals, standards, agriculture and intellectual property rights, with a particular focus on how these issues intersect with multilateral trade rules and policies. It covers both WTO and MEA negotiations along with regional and national developments and initiatives related to sustainable development, biodiversity and trade. This publication

seeks to help the often separate trade and conservation communities identify areas in the respective policy fields where their work may potentially be affected by each others' objectives. To subscribe for free to Bridges Trade BioRes, email biores@ictsd.ch. To access past stories online visit <http://www.ictsd.org/biores>.

SOME REASONS NOT TO NEGOTIATE EXPORT TAXES AND RESTRICTIONS IN THE WTO NAMA NEGOTIATIONS. By the South Centre, May 2006. This analysis briefly examines some of the economic and policy reasons behind the application of export taxes and export restrictions in developing countries. It suggests that further restrictions on the use of these trade policy tools, as is currently being proposed by developed countries in the WTO negotiations on non-agricultural market access (NAMA), may not be in the best interest of developing countries. To access this publication visit <http://www.southcentre.org/info/Analysis/ExportTaxesAndRestrictions.pdf>

OPTIONS FOR THE WTO MODALITIES FOR AGRICULTURE. By David Blandford and Tim Josling. International Food and Agricultural Trade Policy Council, May 2006. The WTO's Doha Round negotiations are at a crucial stage. Though there has been some progress towards convergence of different views, many of the key elements of an agricultural agreement are still to be decided. The 30 April deadline for modalities established by ministers in Hong Kong has been missed, and such an agreement may not come for several weeks. Without the agricultural modalities in place it will be impossible to move ahead with the other discussions that are necessary to bring the round to a conclusion. This discussion paper focuses on the key operational issues that remain to be addressed in the agricultural modalities. To access this paper visit <http://www.agritrade.org/Publications/DiscussionPapers/WTO%20Modalities.pdf>

GLOBAL MONITORING REPORT, 2006: STRENGTHENING MUTUAL ACCOUNTABILITY – AID, TRADE, AND GOVERNANCE. World Bank/International Monetary Fund, May 2006. This third edition of the Global Monitoring Report examines the commitments and actions of donors, international financial institutions, and developing countries to implement the Millennium Declaration, signed by 189 countries in 2000. Many countries are off track to meet the Millennium Development Goals, particularly in Africa and South Asia, but new evidence is emerging that higher-quality aid and a better policy environment are accelerating progress in some countries, and that the benefits of this progress are reaching poor families. This report takes a closer look at the donors' 2005 commitments to aid and debt relief, and argues that

rigorous, sustained monitoring is needed –to ensure that commitments are met, that aid delivers results, and to prevent the cycle of accumulating unsustainable debt from repeating itself. International financial institutions need to focus on development outcomes rather than inputs, and strengthen their capacity to manage for results in developing countries. To access this report visit

<http://www.imf.org/External/Pubs/FT/GMR/2006/eng/gmr.pdf>

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NEGOTIATING TRADE: DEVELOPING COUNTRIES IN THE WTO AND NAFTA. Edited by John S. Odell. Cambridge University Press, 2006. Negotiations between governments shape the world political economy and in turn the lives of people everywhere. Developing economies have become far more influential in WTO talks, including at the infamous stalemates in Seattle in 1999 and Cancún in 2003, as well as bilateral and regional negotiations such as those that created the North American Free Trade Agreement (NAFTA). Yet social science does not understand well enough the process of negotiation, and least of all the roles of developing countries, in these situations. This innovative book sheds fresh light on three aspects of this otherwise opaque process -- which strategies developing countries use, coalition formation, and how they learn and influence counterparts' beliefs. Some chapters show how different institutional settings enable different tactics. New evidence comes from nine recent case studies mostly in negotiation, international political economy, trade, development, global governance, or international law. For more information visit <http://www.cambridge.org/uk/catalogue/catalogue.asp?isbn=0521679788>.

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