

## Countdown to Cancun - Key recommendations for the 5th WTO Ministerial Conference

Friends of the Earth Europe (FoEE), as part of Friends of the Earth International (FoEI) – the world’s largest grassroots environmental network - reiterates our serious concerns about the current position of the EU for the upcoming 5th WTO Ministerial Conference and offers our recommendations:

The EU’s responsibility for a successful outcome of Cancun:

<p><b>Greater rights for people, not for big business</b></p>	<p>The EU must take the lead in calling for fundamental changes to the world’s trading system in line with its own sustainable development and human rights objectives. The EU must review its overall position for the Cancun Ministerial. Instead of more rights for big business, greater rights for people and the environment must be created.</p> <p>Specifically the following steps are needed:</p>
<p><b>Investment</b></p>	<p>➤ <b>Withdraw proposal for the negotiation of an investment agreement</b></p> <p>The EU has been the main driver for a WTO investment agreement despite world wide opposition from many developing countries and civil society groups from around the world.</p> <p>The introduction of investment rules at the WTO will grant multinational companies increased rights, while also restricting the ability of governments to maintain and create strong regulatory frameworks and rights for citizens and communities. Protection of the environment and promotion of social and economic equality depend on government action to ensure that patterns of investment promote, rather than undermine, sustainable development.</p> <p>The EU has asserted that investment negotiations at the WTO would be flexible and limited in scope. Yet past experience with other investment agreements and the WTO system itself demonstrate that the EU’s assurances are far from convincing. Even supposedly limited non-discrimination disciplines provide substantial rights to multinational investors and can be used to inappropriately challenge environmental and development policies. Therefore, the EU should explicitly withdraw its proposal for any investment negotiations.</p> <p>Instead, the EU should take the lead in developing rules to regulate multinational business including by introducing effective international legislation outside of the WTO to set high minimum standards for corporate activities, placing legal requirements, concerning community consultation and redress and personal legal liability, on companies and their directors respectively and preventing the formation and consolidation of monopolies, oligopolies and cartels.</p>
<p><b>No new issues</b></p>	<p>➤ <b>Refrain from launching negotiations on the Singapore issues</b></p> <p>In addition to investment, the EU will also be calling for the launch of</p>

	<p>negotiations on competition, government procurement and trade facilitation (the so-called Singapore issues). Explicit consensus is necessary to move forward on this. Given that these new agreements would have negative impacts for developing countries, the development of sustainable economies and environmental protection and given the concerns of many developing countries as well as from civil society groups all around the world, the EU must withdraw its proposal for launching such negotiations. Mandated trade negotiations already underway are sufficiently controversial and complex and need to be reviewed and rectified.</p>
<p><b>GATS</b></p>	<p>➤ <b>Halt the GATS negotiations and undertake a proper assessment</b></p> <p>The EU has been a key driver of the GATS negotiations, by submitting requests to 109 countries to open up their services, including in the field of environmental sensitive sectors such as water, waste, energy, tourism and transport. The EU has also taken the lead in expanding general obligations of the services agreement. The expansion of service operations and commitments will have substantive environmental and social impacts. Governments will be increasingly constrained in their efforts to protect the natural world from harmful service operation of big companies.</p> <p>The EU should halt the GATS negotiations and instead</p> <ul style="list-style-type: none"> <li>• support the conduct of a proper independent assessment of actual and potential environmental and social impacts, including on local communities and developing countries in all sectors.</li> <li>• propose to re-examine the commitments already made under the GATS provisions that are in fact multinational investment disciplines (Mode 3 - “commercial presence”) and explicitly reject any further such commitments.</li> <li>• create clear and strong across the board exceptions are adopted so that no environmental law or regulation will be undermined by GATS rules</li> <li>• exclude any services related to natural resource extractions (water, energy, minerals, timber etc) as well as nuclear energy are excluded</li> <li>• remove article VI provisions, including any necessity test, that restricts the right of governments to adopt laws and regulations protection the public interest and the environment.</li> </ul>
<p><b>MEAs vs WTO rules</b></p>	<p>➤ <b>Strengthen, not weaken Multilateral Environmental Agreements (MEAs) vs WTO rules</b></p> <p>With negotiations on the relationship between MEAs and trade rules, the WTO recognizes, albeit in a limited fashion, the link between trade and sustainable development. However, these negotiations make international environmental governance (through the MEAs) subject to economic and trade considerations and allows the WTO to encroach upon areas of international policy in which it has no competence. In addition, the negotiations may eventually result in placing limits on the extent to which MEA rules may be implemented by individual governments.</p> <p>The EU should recognise the risks for environmental governance engendered by the WTO negotiations and agree that further negotiations be transferred to the UN, building on and strengthening existing initiatives of UNEP and other UN agencies.</p>

	<p>Governments should take steps to</p> <ul style="list-style-type: none"> <li>• ensure that countries are not prevented from complying with their MEA obligations due to WTO rules;</li> <li>• MEA provisions and dispute settlement mechanisms are recognized by the WTO as having primary applicability and jurisdiction over disputes involving MEA trade measures;</li> <li>• the treatment of non-MEA parties vis-a-vis MEA trade provisions is determined by the provisions of the MEA concerned;</li> <li>• consider potential and actual conflict between the two governance systems in the UN;</li> <li>• mandate the UN to review WTO decisions to determine whether they support the development of sustainable societies and ensuring that they are compatible with existing UN treaties on the environment and human rights;</li> <li>• strengthen international environmental governance by reinforcing MEAs' compliance and dispute settlement mechanism in order to establish a better balance between WTO and MEAs.</li> </ul> <p>On the observer status and information exchange (para 31 (ii)) the EU should push for an agreement in Cancun to grant permanent observer status of UNEP and all MEA Secretariats in all relevant bodies of the WTO and to further improve information exchange arrangements between environmental bodies and the WTO.</p> <p>Finally we reiterate our call for independent, comprehensive and participatory social and environmental impact assessments of trade liberalisation to be conducted before the launch of any and all trade negotiations.</p>
<p><b>Agriculture, GMOs and patents</b></p>	<p>➤ <b>Promote food security, food sovereignty and non intensive agriculture, not multinational agro-industry, genetically modified crops and patents on life</b></p> <p>In the short-term and as a first step the EU should make immediate and unilateral efforts to eliminate all forms of export support and stop the dumping of agricultural products as part of measures to signal genuine intentions towards the developing world. It should fundamentally reform of the Common Agricultural Policy to support sustainable agriculture.</p> <p>Furthermore multilateral rules need to support sustainable methods of agriculture and a trading system that does not favour large-scale export oriented, fossil fuel and pesticide dependent farming and multinational agro-industry but rather meets the needs of people and the environment.</p> <p>Diverse sustainable agricultural practices should be supported that reduce and reverse the loss of biodiversity, including by</p> <ul style="list-style-type: none"> <li>• phasing out domestic subsidies that promote unsustainable land use and inequitable land tenure patterns;</li> <li>• encouraging socially, environmentally and economically sustainable farming techniques through the use of targeted domestic subsidies, controls and other incentives for local consumption;</li> <li>• recognising countries' rights to implement import controls for agriculture</li> </ul>

	<p>products which are harmful for the environment and human health , including tariffs, in food and agriculture, to support sustainable food production for local consumption;</p> <ul style="list-style-type: none"> <li>• introducing “non trade concerns” to support sustainable agriculture;</li> <li>• and banning all forms of patents on life.</li> </ul> <p>Furthermore, the EU should continue and further promote the use of clear and accurate labeling of food and agricultural products neglecting pressures from the US and other countries to constrain the citizen's 'right to know' as part of the WTO agenda.</p> <p>Following recent US pressure to liberalise trade in GMOs, the governments' right to ban or otherwise restrict the production of and trade in genetically modified seed, food, animal feeds and related products must be respected and protected. Given the past agreement of Commissioner Lamy for the establishment of a biotechnology working group at the Seattle Ministerial Conference, the EU should ensure that the Biosafety Protocol - and only the Biosafety Protocol- is the acknowledged body for any negotiations relating to trade in biotechnology.</p> <p>The EU should also support an independent Sustainability Impact Assessment on the social and environmental impacts of the implementation of the AoA, TRIPS, SPS and TBT agreement.</p>
<p><b>Forests</b></p>	<p>➤ <b>Stop further trade liberalisation in the forest sector, including negotiations on non agricultural good on both tariffs and non tariff barriers.</b></p> <p>Forests are under severe pressures worldwide. Just over one fifth of the world's original forests remains in large, relatively undisturbed ecosystems. Sectoral negotiations to reduce tariffs on forest-products to zero may lead to increased wood consumption and the prohibition of new government tariff schemes to promote more sustainable forest management. The EU should reject these trade negotiations and agreements also consider that the elimination of non trade barriers might threaten legitimate conservation measures such as stimulating the recycling of wood products, log export bans, forest certification and eco-labelling as trade barriers. They are necessary to ensure that the remaining forests of the world are not further degraded and destroyed as a result of increased trade pressures.</p>

<p><b>Dispute Settlement</b></p>	<p>➤ <b>Reform the dispute settlement body</b></p> <p>Current dispute settlement procedures are undemocratic and secretive and usurp the rulemaking and legislative role of nations. Therefore, the EU should request the dispute settlement procedure to</p> <ul style="list-style-type: none"> <li>• take cognisance of the precautionary principle as a customary norm of international law;</li> <li>• do away with any “necessity test” for measures sought to be justified on public health or environmental grounds;</li> <li>• ensure that the burden of proving that a disputed measure is adopted solely for trade-protectionist or trade-discriminatory purposes rests on the country challenging the measure;</li> <li>• ensure that the disputed measure is deemed to be prima facie compliant with international trade rules in the absence of substantial evidence being presented regarding the trade-protectionist or trade-discriminatory intent or impact of the measure; and</li> <li>• take cognisance of existing customary norms of international law and provisions of other multilateral treaties in force - such as those relating to the environment, human rights, and health standards - as part of the body of international law that should be relevant to and must be taken into account in international trade dispute settlement cases.</li> </ul>
<p><b>Democracy</b></p>	<p>➤ <b>Improve the democracy and transparency of the trading system.</b></p> <p>The EU must ensure that national trade and economic policy-making undertaken as a result of their WTO obligations must be done in an open, transparent, and genuinely publicly participatory manner that encourages the participation of their domestic civil society and community and peoples' organisations. In the EU vastly increased scrutiny for all international trade negotiations by parliamentarians from the European Parliament and national parliaments is urgently needed. Furthermore input from the private sector needs to be decreased and input from civil society groups increased in the formulation of the EU's policies. In the WTO, developing countries need to be able to fully participate in the conduct of the negotiations. In addition to additional technical assistance and capacity building to developing countries, Mini Ministerial Conferences and Green room sessions should be abandoned.</p>
<p><b>Towards Sustainable Economies</b></p>	<p>➤ <b>Develop a sustainable trading system</b></p> <p>At the beginning of the 21st century, the world needs trade rules that reflect society's current values and needs. Our existing trade rules and institutions and indeed the current global economic system are out of date and do not do this. Instead, they undermine biological and cultural diversity. They are still based on the pursuit of profit regardless of social and environmental costs; and inequitable access to and the overuse of limited natural resources. Current rules also prevent the maintenance and development of locally-appropriate and sustainable systems of commerce.</p> <p>For these reasons, it is vital that the EU withdraws proposals to expand the mandate of the World Trade Organisation. Instead, governments should agree to review and rectify both the current trade system and the economic context within which that system operates.</p> <p>It is time to develop a system of international trade that promotes self-</p>

	determination, environmental protection, sustainable livelihoods, equity and cultural diversity, amongst all nations and people. A new and sustainable framework for the regulation of trade for the twenty-first century needs to be based on the principles of democracy, equity, reduced consumption, co-operation and precaution.
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