



European Federation for
TRANSPORT and ENVIRONMENT



Don't trade away the planet!

Recommendations for the 6th WTO Ministerial Conference, Hong Kong 2005,
by BirdLife International, European Federation for Transport and Environment (T&E),
Friends of the Earth Europe, Greenpeace International,
International Friends of Nature and WWF European Policy Office

Trade could help foster a world that allows us all to prosper sustainably, but only if governments initiate major changes in the global trade system, beginning at the WTO Ministerial Meeting in Hong Kong.

Our world faces an alarming array of global challenges that are growing in severity year on year:

- **Ecosystems** are being degraded on an unprecedented scale. 60% of the benefits they provide, such as fresh water and climate regulation are being lost, due to unsustainable use.¹ Marine ecosystems are in serious trouble, with at least over 70% of global fish stocks fully exploited, over-exploited or severely depleted.² At the same time half the world's forests have already disappeared, and deforestation continues rapidly.³
- **Biodiversity** is in free fall, with species extinction rates up to 1000 times higher than the historic norm.¹

¹ Millennium Ecosystem Assessment (2005) Ecosystems and human well-being

² FAO (2002) The State of the World's Fisheries and Aquaculture (SOFIA) 2002

³ Jenkins et al. (2003) Conservation Biol. 17:20-23

- Our **climate** is changing rapidly as a result of greenhouse gas emissions. Scientific modelling suggests an increase in global mean temperature of 1.4 - 5.8°C by 2100, leading to increased incidence of floods, droughts, and storms, and a rise in sea levels of up to 88cm.⁴
- The gap in **life expectancy** between rich and poor countries is no longer shrinking, principally as a result of HIV/AIDS.⁵
- Over a billion people still live in **poverty**⁶ and it is the poor who are disproportionately affected by the degradation of natural ecosystems.¹

It is in the face of these global challenges that the current round of trade negotiations is taking place. Governments have already committed to addressing them at the international level, through, for example, the Millennium Development Goals and various Multilateral Environmental Agreements (MEAs). The negotiations can either retreat from these challenges, hiding behind the dogma that trade liberalisation is inherently positive, or Governments can seek to tackle them head on, meet their commitments to sustainable development, and ensure a better future for us all.

BirdLife International, Friends of the Earth Europe, European Federation for Transport and Environment (T&E), Friends of the Earth Europe, Greenpeace International, International Friends of Nature, and WWF European Policy Office, together representing organisations with more than 12 million members worldwide, are calling upon the Governments of the world to make Hong Kong a success for people and the environment, and to stop pursuing the current WTO agenda of trade liberalisation at any cost. As a key player in the trade negotiations, the EU has a responsibility to take the lead in ensuring a sustainable outcome for all. We hope that the EU will meet this responsibility and support the following recommendations:

- End export dumping immediately and support sustainable agriculture.
- Do not proceed with liberalisation within the Non-Agricultural Market Access (NAMA) negotiations until ex-ante assessments of likely impacts are undertaken. Developing countries should not be forced into binding tariffs.
- Do not proceed with liberalisation within the General Agreement on Trade in Services (GATS) negotiations until ex-ante assessments are carried out. Developing countries should not be forced into making specific commitments.
- Phase out subsidies that drive the degradation of marine ecosystems and fish stocks.
- Provide access to medicines and prevent biopiracy.
- Ensure trade in environmental goods and services help to meet the global challenges.
- Ensure WTO rules do not restrict MEAs, and do not limit or undermine environmental protection. Global environmental governance should be strengthened.
- Review WTO negotiations and existing rules to ensure they are contributing to sustainable development and address the global challenges.

¹ Millennium Ecosystem Assessment (2005) Ecosystems and human well-being

⁴ UNEP (2001) Climate change: the scientific basis

⁵ UNDP (2005) Human Development Report 2005

⁶ World Bank (2005) World Development Indicators 2005

Agriculture

Current agricultural trade negotiations within the WTO favour agri-business, supermarkets, and traders at the expense of family farmers, landless people, food workers, consumers and the environment. Current proposals to address the problem of export dumping, and the social and environmental damage it entails, are proving meaningless, as governments use loopholes to avoid making the changes that are needed. Comprehensive and genuine commitments must be made to end export dumping, and the agreement should cover all forms of subsidised exports, including export subsidies, export credits, food aid and state-trading enterprises. This commitment is the social and environmental duty of developed countries and should be unconditional.

Developed countries must also commit to phasing out subsidies that damage developing countries and the environment, and ensure that all domestic support is used only to deliver public benefit, through, for example, environmental programmes. This means the EU should commit to further agricultural policy reform.

Developed countries should support capacity-building in developing countries, particularly in the Least Developed Countries (LDCs), for them to be able to comply with non-tariff measures such as health, food safety and environmental requirements in foreign markets; and should offer technical and financial assistance to encourage shifts to more sustainable production. Developing countries must have the freedom to define the trade policies that suit their particular circumstances. These should allow them to develop sustainably, and tackle pressing issues of food security, livelihoods, agricultural development and environmental sustainability. In addition, developing countries should be exempted from tariff reduction commitments, including the binding of tariffs.

Non-Agricultural Market Access (NAMA)

A full and independent review should be conducted of NAMA's potential impacts on economic development, industrial diversification in developing countries, the environment and social welfare, through Sustainability Impact Assessments (SIAs). The SIAs should be translated into policy and reviewed on an on-going basis, drawing on a wide range of expertise, and the negotiations should be informed by and based on their conclusions.

Plans for liberalisation in sensitive sectors such as forestry and fisheries, where negative impacts are proven⁷ or likely, should not proceed until appropriate governance structures are in place. This is critically important because NAMA negotiations effectively involve international trade in all natural resources, from forestry to fossil fuels to fisheries. The objective of international agreements should be the sustainable management of natural resources, thus liberalisation should not continue where it will, in the long term, result in their unsustainable exploitation. Developing countries should not be forced into binding tariffs.

⁷ See http://www.sia-trade.org/wto/ForestDraftFinalReport_v1_2_270205.pdf

General Agreement on Trade in Services (GATS)

SIAs of liberalisation of trade in services should be undertaken before proceeding further with negotiations on specific commitments or on additional GATS disciplines. As in other areas of the negotiations, these SIAs should be independent and inclusive, drawing upon a wide range of expertise and regularly reviewed. They should also be translated into policy and form the basis of negotiations. Any further negotiations should be transparent and must be preceded by comprehensive consultations feeding into national policy-making processes.

Developing countries should not be forced into making commitments, including in environmentally sensitive sectors such as water and energy.

To provide effective protection against unintended consequences of any specific commitments, an emergency safeguard mechanism should be agreed. In particular, this must protect developing countries' national policy objectives, including the development of domestic service industries.

Fishing subsidies

Governments should agree to phase out subsidies that contribute to excess fishing capacity, overfishing and unsustainable fishing practices, whilst retaining those which promote sustainable fisheries. They must take into account the special needs of developing countries, including those with underdeveloped domestic fishing industries, or impoverished coastal communities. Transparency and accountability must be improved, and mechanisms provided to guarantee that fishing subsidy disciplines are administered with the appropriate participation of intergovernmental bodies and experts competent in fisheries management and protection of the marine environment.

Trade-related Aspects of Intellectual Property Rights (TRIPS)

The TRIPS agreement should be amended to provide a final, user-friendly and effective solution to the access to medicines problem. It must be rebalanced so that it respects development and biodiversity goals and is in line with the Convention on Biological Diversity and its Protocols, as well as the FAO International Treaty on Plant Genetic Resources for Food and Agriculture. Governments should ensure the protection of farmers', indigenous peoples' and local communities' rights over plant genetic resources and associated knowledge. This includes farmers' rights to conserve, exchange and reproduce seeds, and a ban on patents and Intellectual Property Rights (IPRs) for all life forms. Traditional and indigenous knowledge must be protected against biopiracy.

Environmental goods and services

Any liberalisation in environmental goods and services should be based on how they will contribute to addressing the global challenges ahead of us; otherwise, there is no justifiable reason to pursue them.

What constitutes 'environmental goods and services' is contentious. At present, definitions of 'environmental services' are mostly limited to the mitigation or treatment of pollution. 'Environmental goods' are yet to be defined, but current 'list-based' approaches have severe drawbacks. Any definition must be based on environmental outcomes. It should be developed through a forum that has the appropriate range of expertise: the WTO alone does not have the appropriate expertise for this task. This forum should conduct a full social and environmental impact assessment of any potential liberalisation. Negotiations should be based on the outcome of this evaluation.

Multilateral Environmental Agreements (MEAs) and the WTO

The WTO is increasingly acting as a global governance organisation, and has extended its work programme to new areas of competence, thereby frustrating institutions with more appropriate expertise. The development and enforcement of existing and new environmental legislation relating to Multilateral Environmental Agreements (MEAs), such as the Biosafety Protocol, should not be hindered by subordinating these policies to free trade and competition rules. It is critical that legislation designed to protect our environment and to ensure sustainable development cannot be overruled by trade experts or International Trade Panels working in isolation from other concerns.

Governments must grant UNEP and the Secretariats of MEAs with trade-related provisions, objectives, or obligations, and permanent observer status in all relevant bodies of the WTO.

They should not mandate the WTO to:

- Set rules or criteria that might in any way define or restrict the use or national implementation of any trade measures agreed to in MEAs;
- Define a set of MEAs, or a set of trade measures, that are WTO-consistent thereby making others WTO-inconsistent regardless of their merits.

Ultimately, it should fall to an independent forum outside the WTO to examine the WTO-MEA relationship, as part of a coherent approach to addressing global challenges. The International Court of Justice and the United Nation's International Law Commission are among the most suitable existing fora for clarifying the WTO/MEA relationship because of their broad expertise, the transparency of their process and their independence from particular interests.

Review the impacts of WTO rules and rectify existing agreements

We have, throughout this statement, called for ex-ante assessments of the likely impacts of trade liberalisation, and the integration of these reviews into future negotiations. Indeed, paragraph 51 of the Doha Ministerial Declaration states that, *'the Committee on Trade and Development and the Committee on Trade and Environment shall each act as a forum to identify and debate developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected.'*

Beyond the mandate of paragraph 51, the WTO agreements also contain review clauses that should be used to analyse whether existing rules support and promote the development of sustainable societies, and conform with existing international law and obligations. This will require better understanding by individual governments of the impact of the WTO on their countries. National independent sustainability impact assessments are crucial in this regard. The EU should continue to provide capacity-building and technical assistance to developing countries to undertake these.

November 2005

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