



International Centre for Trade
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NOTE TO SUBSCRIBERS

For exceptional reasons, the next issue of BRIDGES Weekly Trade News Digest will be published on 11 April.

LEAD STORIES

WTO PANEL RULES AGAINST EU IMPORT BAN IN BEEF HORMONE CASE; BOTH SIDES CLAIM VICTORY

Both sides are claiming victory following the latest WTO ruling in one of the longest running disputes in the institution's history, which has pitted the US and Canada against the EU over trade in hormone-treated beef.

The ruling, released on 31 March, faulted all three parties to the case for not adhering to WTO rules and procedures.

Most significantly, the panel found that the EU's import ban on hormone-treated beef - despite modifications in 2003 in response to an earlier WTO ruling - was not compliant with multilateral trade rules, since it was not backed by an adequate scientific risk assessment.

The panel effectively sided with US and Canadian claims that the EU's ban remained scientifically unjustified. Therefore, the import prohibition failed to meet the requirements of the WTO Agreement on the Application of Sanitary and Phytosanitary measures, which governs the use of health and safety-related trade barriers.

Ironically, the current case arose from complaints filed by the EU in 2004. The EU objected to the fact that the US and Canada continued to levy trade sanctions on EU exports even after Brussels had modified the legislation underpinning the import ban (see [BRIDGES Weekly, 7 September 2005](#)). In its complaints, the EU claimed that by providing a new scientific rationale for the prohibition, it had removed the measure found to be WTO inconsistent in the earlier ruling, since it was the inadequate scientific backing for the ban that had been at fault, not the existence of a ban itself.

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US, Canada sanctions did not follow procedure

The panel did rule that the US and Canada were in error: it said that Washington and Ottawa failed to follow proper WTO procedures when they retained over \$125 million in annual sanctions dating back to 1999 on EU exports such as Roquefort cheese and Dijon mustard, based on unilateral determinations that even the updated import ban breached the EU's trade obligations.

The panel said that before choosing to maintain retaliatory sanctions, the US and Canada should have taken recourse to the dispute settlement system to determine whether the 2003 import ban still violated WTO rules. However, although the panel said that the US or Canada had not been authorised to 'suspend concessions' on EU goods - WTO parlance for imposing retaliatory sanctions - it stopped short of explicitly ordering them to remove the extra duties.

Each side claims victory

Each of the governments involved in the case has tried to turn the complicated ruling, which ran to hundreds of pages, to its advantage.

US Trade Representative Susan Schwab said that "the panel's findings on the EU ban are an important victory for all US farmers and ranchers," stressing that "EU consumers should have access to US beef - it is of high quality, safe and competitive." She said the "findings confirm the principle that measures imposed for health reasons must be based on science."

Canadian Trade Minister David Emerson added that "the WTO has once again sided with Canada by confirming that the ban is inconsistent with the EU's international trade obligations. Canada continues to rely on the WTO rules-based system to defend its trade interests. We hope that the EU will lift its ban."

The EU took a rather different perspective. "Today's panel report has confirmed that the US and Canada are imposing duties in breach of WTO rules," said a press release from the European Commission on 31 March. "The EU therefore demands that the US and Canada remove their retaliatory measures."

Nevertheless, Brendan McGivern, a partner at White and Case law firm in Geneva, said that the findings of the panel regarding the SPS agreement "are very harmful rulings for the EU." The US would be able to take all of the findings to a new panel, he suggested.

The European Commission press release disagreed with the panel's findings that the 2003 amendments to the import ban failed to bring it into compliance with the SPS agreement.

It is not clear why the EU, in its complaint, opened the door for the panel to examine its own compliance with WTO rules. It is conceivable that Brussels was confident of securing multilateral affirmation for what it thought was a solid attempt to comply with the previous ruling.

EU risk assessments insufficient

At issue in the case are six growth-promoting hormones. According to the EU, there is "overwhelming evidence" that one of them, oestradiol-17 β , promotes cancer and harms genes, justifying a ban on the sale and importation of meat from animals that had been treated with it. For the other five, Brussels invoked the 'precautionary principle', arguing that provisional prohibitions were justified, since scientific progress since the Appellate Body ruling in 1998 had demonstrated that the risks posed by the hormones could not be adequately assessed.

The SPS agreement allows countries to impose trade restrictions for health and safety reasons based on scientific risk assessments (Article 5.1). It also opens the door to restrictions based on the precautionary principle, saying that trade measures based on "available pertinent information" can be justified when relevant scientific evidence is "insufficient" (Article 5.7).

The US argued that the EU's justification for the import bans failed to meet the WTO threshold for scientifically established risks. It suggested that the prohibitions were not based on existing international safety standards set by Codex Alimentarius, the UN body that sets food standards. The US also said that the EU's risk assessment procedures for the hormones were faulty, and were not in accordance with Codex practices, causing them to inaccurately over-estimate the hazards posed by eating meat from hormone-treated animals.

With regard to oestradiol-17 β , the panel concluded, based on the parties' arguments and testimony from technical experts, that although the EU had presented scientific data evaluating the harmful effects of the hormone, it had "not provided analysis of the potential for these effects to arise from consumption of meat" from cattle treated with oestradiol-17 β for growth promotion purposes. The EU's risk assessment was therefore not "appropriate to the circumstances," and failed to meet the SPS agreement's requirements (Articles 5.1, 5.2), rendering the import ban WTO-incompatible.

The SPS agreement does allow countries, under certain circumstances, to maintain health and safety measures "which result in a higher level of sanitary or phytosanitary protection than would be achieved by measures based on the relevant international standards" (Article 3.3). However, the panel refrained from ruling on whether the EU's oestradiol-17 β ban could be justified as such, saying that the issue was moot since it was WTO-incompatible anyway (on the basis of the inadequacy of the risk assessment described above).

As for the five hormones that the EU regulated on the basis of the precautionary principle, the panel concluded that Brussels did not adequately establish that it was "impossible to perform a risk assessment within the meaning of" the SPS agreement. Furthermore, it said that the EU did not come forward with a "critical mass" of new evidence that would fundamentally undermine past international scientific findings (notably by a joint FAO/WHO expert committee) that meat from animals treated with the hormones was safe.

Environmental groups aggrieved

Environmental and animal rights campaign groups including Friends of the Earth Europe and the Royal Society for the Prevention of Cruelty to Animals heavily criticised the WTO decision, and urged the EU to appeal. They argued that the ruling "allows the US and Canada to force hormone-fed beef on Europe" and that it "puts the interests of North American exporters before those of European consumers, the environment, and animal welfare."

"The precautionary principle cannot be ignored for the sake of market expansion," said Charly Poppe, a trade and economic justice campaigner at Friends of the Earth Europe.

White and Case's McGivern cautioned that although the panel's requirement for a "critical mass of new evidence" set a "reasonably high threshold" for governments seeking to justify health or safety-related trade barriers on the basis of insufficient scientific evidence, comparable cases were "unlikely to come up often." The panel was considering circumstances under which evidence previously considered as sufficient would become insufficient - a relatively unusual event.

Nevertheless, McGivern said that the ruling was "a narrow reading" of what could be justified under Article 5.7. "I've always thought that Article 5.7 [of the SPS agreement] has never fulfilled the expectations that some people had of becoming an avenue for the customary international law principle of precaution."

All three nations can appeal the ruling.

"WTO Backs US, Canada in Beef Dispute with EU, But Both Sides Claim Victory," ASSOCIATED PRESS, 31 March 2008; "WTO Rejects EU Beef Hormone Ban but also Raps US, Canada," AGENCE FRANCE-PRESSE, 31 March 2008; "Canada Wins WTO Ruling over European Ban of Hormone-Treated Beef Imports," CANADIAN PRESS, 28 March 2008; "WTO Condemns US and Canadian Sanctions on EU Goods in Hormone-Treated Meat Dispute," EU TRADE NEWS, 31 March 2008; "Panel Finds EU Ban on Hormones Remains WTO-Inconsistent," US TRADE REPRESENTATIVE PRESS RELEASE, 31 March 2008; "Ministers Welcome WTO Report Reaffirming that EU Beef Hormone Ban is Unjustified," FOREIGN AFFAIRS AND INTERNATIONAL TRADE CANADA - NEWS RELEASE, 31 March 2008.

HITCH ON SENSITIVE AG PRODUCTS DELAYING REST OF DOHA TALKS

Continuing disagreement among a dozen-odd WTO Members on how to expand trade in 'sensitive' farm products is holding up discussions in the ongoing push for a deal in the struggling Doha Round of global trade negotiations.

The highly technical, though crucial, issue has led the chair of the WTO agriculture negotiations to delay small-group meetings he had planned for this week, trade sources said. Chair Ambassador Crawford Falconer (New Zealand) is now telling delegates that he aims to a new draft deal - a revised version of his February draft text - in mid-April, they said.

Industrial goods negotiators say that the talks on non-agricultural market access (NAMA), which have more often than not proceeded with one eye on the agriculture negotiations, are also being affected by the hold-up on sensitive farm products.

In the agriculture negotiations, both developed and developing countries will be able to slate a certain number of 'sensitive' products for lesser tariff cuts, in exchange for expanded tariff quotas.

A group of five exporters (Argentina, Australia, Brazil, New Zealand, and Uruguay) and six major import markets (Canada, the EU, Japan, Norway, Switzerland, and the US), known informally as the 'friends of the chair', have been meeting sporadically under their own auspices since September to try to determine how much market access will be provided for 'sensitive products'.

The extent to which these quotas expand will be based on domestic consumption. And thus, domestic consumption data for key importing countries' has been a crucial issue. When they released this data a month ago, exporters complained that it implied even less market-opening than expected. Since then, domestic consumption data has been the focus of discussions, as the group attempts to find a compromise that will address their respective concerns (see [BRIDGES Weekly, 12 March 2008](#),

Falconer had planned to hold informal consultations with about three dozen delegations representing the spectrum of negotiating alliances, known as 'room E' talks, from 31 March onwards. These had widely been expected to address sensitive products. They have now been postponed to the second half of this week to enable the 'friends of the chair' group to make more progress amongst each other before sharing the results of their discussions with the rest of the WTO Membership.

Privately, many delegates are now voicing fears that if the sensitive products issue is not resolved, there may be another stalemate in the upcoming talks, as happened for two weeks in the room E meetings that followed the release of Falconer's text in February. Some Members may also be withholding their remaining negotiating flexibility for use as bargaining chips in the planned 'horizontal process' - in which Members are expected to make cross-sectoral tradeoffs across agriculture and industrial goods with the aim of reaching a framework deal on cutting tariffs and subsidies.

Sensitive products: processed goods remain problematic

Members discussed the domestic consumption data released by importers in meetings over the past two weeks, both before and after the Easter holiday on 23 March. In addition to the 'friends of the chair' group meetings, delegations also met bilaterally.

The data released by Canada, the EU, Japan, Norway, Switzerland and the US was now almost complete, one delegate indicated. Information on some products was still missing from Switzerland, and from the EU on fruit and vegetables.

Complete and final data has been a key demand of exporting countries such as Argentina. They have suggested that most of their farm export gains from the Doha Round will come from sensitive products, and have signalled that without greater clarity on quota expansion for these products, they would be loath to commit to concessions on industrial goods.

Still controversial is the methodology to be used for accounting for the share of domestic consumption represented by processed products. Importing countries have provided domestic consumption data at the broad product level (for 'sugar' or 'beef', for example). Exporters have expressed concern that, when these consumption figures are allocated between tariff lines at a more detailed level, the more highly-processed products could end up reducing the overall consumption figures for the basic commodity. Unprocessed products such as sugar or wheat represent the bulk of exporters' interests and importers' sensitivities, and are much more likely to be designated as sensitive than processed goods such as sugary drinks, biscuits or communion wafers.

Various compromise solutions have been floated recently to resolve the problem. Importers have recognised that some way needs to be found to ensure that processed products do not distort consumption figures for raw materials, and have suggested discussing possible 'coefficients' that would reduce the domestic consumption represented by processed goods.

Another option could include establishing a 'floor' that would limit the share of consumption that could be allocated to processed products for any given product - ten percent of total consumption, for example.

A third option, which one source said seemed to be commanding growing support, involved agreeing that all highly-processed products (chapter 18 and above under the 'harmonised system' of tariff lines) would represent zero domestic consumption.

Horizontal process in May?

In the NAMA negotiations, sources say that the chair will hold 'confessional' meetings with individual delegations this week and next to explore possibilities for compromise. The long-deadlocked talks recently seemed to budge a bit, when countries hinted that they might consider some ideas circulated by Stephenson for how developing countries might be able to secure wider exceptions in exchange for deeper tariff cuts, or vice versa. Sources said that Stephenson's consultations would particularly focus on a limited 'sliding scale' approach with three options for future developing country tariff ceilings paired to different figures for the proportion of products eligible to be shielded from the full force of tariff reduction.

Some sources now suggest that Falconer and Stephenson might not issue revised versions of their February draft texts until after the 20-25 April UN Conference on Trade and Development summit in

Ghana. Even if revised texts were to be issued prior to that, several developing country trade officials will go to Accra for the meeting, and thus will have little time to review the drafts until afterwards. Given that delegates expect each text to be reviewed in the respective negotiating groups before a 'horizontal process' can start, serious talks involving senior officials (and ultimately ministers, if all goes well) are unlikely to even begin until May, delegates told Bridges.

ICTSD reporting.

OTHER NEWS

MEMBERS REMAIN DIVIDED ON FISHERIES DRAFT TEXT

WTO Members remain divided on how to structure future multilateral rules on fisheries subsidy spending, notably on the conditions under which developing countries should be allowed to provide significant amounts of support to their fisheries sectors.

During the 26-27 March session of the Negotiating Group on Rules, Members resumed discussions on a draft fisheries subsidies agreement text released by Chair Ambassador Guillermo Valles Games (Uruguay) last November.

As during the first round of talks in January, controversy centred on special and differential treatment (S&DT) for developing countries, and the text's requirements for all countries to put in place fisheries management systems in order to be allowed to provide certain types of payments to their fisheries sectors.

The text trade diplomats are discussing would ban a wide-range of fisheries subsidy payments, especially those that boost fishing capacity or create other incentives to fish. While several Members and conservation groups such as Oceana have welcomed the text as a valuable move towards cutting payments they blame for promoting wide-scale depletion of marine fish stocks, countries including Japan, the EU, and Taiwan have argued that the prohibitions go too far.

Some subsidies are permitted, according to the draft, but these must be linked to an international-standard fisheries management system. Developing countries would be allowed to provide some otherwise-banned subsidies under specific circumstances, so long as they

filled a range of conservation requirements, including fishery management systems that aim to conserve fish stocks. India and a number of other developing countries have argued that these requirements are so stringent that they render the exceptions unusable. Least-developed countries would be fully exempt from disciplines on fisheries subsidy spending.

SVEs ask for exemptions

Last week, Barbados, Cuba, El Salvador, Fiji, Honduras, Mauritius, Papua New Guinea and Tonga proposed exempting the group of small and vulnerable economies (SVEs) from the disciplines normally prohibiting subsidies that support operating costs such as fuel, ice, bait, and personnel, as well as in- or near-port processing activities, arguing that "these are exactly the forms of government assistance which SVEs could provide to their fishers." It also called for boats up to 25 metres in length to be eligible for such payments. The text's current exception for small scale fishermen in all developing countries extends to boats less than 10 metres in length (along with, of course, an adequate fisheries management system). In defence of their demands, the group argued that SVEs' share of the global marine fish catch was less than 0.72 percent of the world total, and thus, they had "little or no impact on overfishing and overcapacity."

A number of members supported the SVEs' proposal, including India, the Dominican Republic, Turkey, Korea, Japan, Dominica and Brazil.

In February, India and the group of African, Caribbean, and Pacific (ACP) countries jointly called for relaxing the text's disciplines on governmental support to artisanal and small-scale fishing, arguing that this was essential for poverty reduction efforts.

Norwegian proposal on fisheries management

Also during last week's meeting of the rules group, Norway introduced an informal 'room document' proposing a series of amendments to the draft text's article on fisheries management (Article V), including alternative legal language. Norway has said that Valles Games' text is too restrictive, and has called for allowing developed countries to subsidise small-scale fishermen (an option currently available only to developing nations; see BRIDGES Weekly, 6 February 2008, <http://www.ictsd.org/weekly/08-02-06/story2.htm>).

Noting that "the issue of fisheries management as a condition for subsidisation has received considerable interest during the negotiations," the Norwegian proposal purported to clarify Member's obligations to ensure that permitted subsidisation does not promote

overfishing. Specifically, it distinguished between fisheries management 'systems' as the legal and institutional framework to promote conservation and sustainable use, and fisheries management 'plans' as tools directly targeted at the management of particular stocks or fisheries. It said that Members should have both an "over-arching" framework and stock-specific plans for each fishery that is subsidised, so as to ensure that subsidies do not lead to overfishing.

Notably, Norway would delete a provision in the chair's text that would require countries' fisheries management systems to undergo a peer review at the UN Food and Agriculture Organisation (FAO). Instead, Members would simply notify information about their respective systems to the FAO or, if they did not belong to the UN, to another relevant international organisation.

Several developing as well as developed country delegations said that Norway's proposed requirement for fisheries management plans for every fish stock would be burdensome and costly, and that it would not be feasible for developing countries. India said that the Norwegian proposal would be even more burdensome than the chair's text. The EU, US and New Zealand also reacted with hesitation to the proposal, sources reported.

However, a number of developing countries supported Norway's deletion of the FAO peer review provision. In general, countries have been wary of a WTO requirement for an external assessment of their fisheries management systems. Developing countries have expressed concerns about the additional processes and delays it would entail. Taiwan - which is not a member of the UN - had taken particular objection to the chair's text's involvement of another international organisation, one to which not all WTO Members belonged.

Sources said that Valles Games sought to clarify his intentions for the peer review mechanism; specifically, he wanted it to resemble the existing Trade Policy Review mechanism in the WTO.

The EU posited that the TPR mechanism was not a system effective enough to be emulated. It maintained its support for the peer review idea, although it said that Chinese Taipei's concern should be dealt with. The EU, with the support of Japan and Senegal, proposed setting up a "WTO equivalent" body in order to ensure strong enforcement mechanisms on fisheries subsidies. It is not clear, however, whether such a body would be considered to be part of the WTO or outside of it.

In addition to discussions on the new paper, Members continued their article-by-article review of Valles

Games' text, which they had not been able to complete at the rules group's last session.

Delegations including Brazil, El Salvador, Thailand, Australia, Mexico, New Zealand and the US, expressed support for the provisions in Valles Games' text emphasising that permitted subsidies must not be used in ways that result in the depletion of fish stocks that either straddle different countries' territorial waters or are highly migratory. Brazil and Turkey stressed the need to address payments that affect fish stocks that migrate from one Member's territorial waters to another's.

While the chair's text would require Members that choose to provide permitted subsidies to notify them before actually making payments (Article VI), many countries, including China, South Africa, and the US argued that notification should be 'ex post', i.e., after the subsidies are granted. Thailand indicated that prior notification and evaluation would be time-consuming. China shared this view, and South Africa said it preferred notification of the measure after implementation. A number of developing countries expressed concern that the administrative burden might be too much for them. The EU said it supported the chair's text, but wanted stronger surveillance provisions.

As for the text's provisions for dispute settlement, many delegations objected to the notion that any subsidies not notified would be deemed prohibited - and thus vulnerable to litigation and potentially even trade sanctions. These delegations included Brazil, China, Turkey, Fiji, South Africa and Canada. South Africa reiterated the concern that full notification would be beyond the capacity of developing countries; India pointed to the difficulties of collating information from the entire range of national and local government bodies.

At the conclusion of the meeting, Valles Games expressed satisfaction that Members had finished reading the text, but said he remained concerned that they continued to diverge on approaches to disciplining fisheries subsidies. He urged delegations to start negotiating in earnest, and suggested that he might follow the lead of other negotiating committee chairs and start holding more informal consultations in an attempt to find paths towards consensus.

The rules group's next meeting is scheduled for the week of 21 April.

ICTSD reporting.

IN BRIEF

CARIBBEAN LEADERS URGE US TO RENEW TRADE PREFERENCES

Three Caribbean leaders last week urged US President George W. Bush to renew Washington's trade preference scheme for exports from Caribbean countries before it expires on 30 September.

Bahamian Prime Minister Huber Ingraham, who currently holds the chair of the Caribbean Community (CARICOM), David Thompson of Barbados, and Dean Barrow of Belize stressed the importance of the Caribbean Basin Initiative (CBI) in talks with Bush in Washington. They are concerned that the withdrawal of trade preferences could have drastic effects on their respective economies.

The CBI provides gives most goods from 19 different Caribbean basin economies duty-free access to the US market.

President Bush, who supports renewing the trade preference scheme, had invited the leaders to Washington for the meeting. "It was important for these leaders to know that we believe a good, strong, healthy, vibrant neighborhood is in the interest of the United States," he told the Associated Press.

The CBI has existed since 1983, but the current version is largely based on the Caribbean Basin Trade Preference Act (CBTPA), which was enacted in 2000. The CBTPA requires that countries and dependent territories "have implemented or are making substantial progress toward implementing certain customs procedures based on those contained in the NAFTA."

The CBTPA stipulates that preferences will be erased once free trade agreements, such as the proposed Free Trade Agreement of the Americas (FTAA) are signed. However, the FTAA talks have broken down completely, with no serious talks since 2005.

With the FTAA lying dormant, Caribbean countries are growing increasingly concerned about securing their access to the US market. Some US lawmakers have started arguing that the trade preference scheme should be reformed, citing growing competition between US ethanol producers and international ethanol producers who have set up shop in the Caribbean to benefit from the access. Uncertainty about tariff regimes can often be enough to make businesses change purchasing decisions.

In light of more pressing issues, including the ongoing discussions on the farm bill, Congress is not likely to look at the Caribbean trade preferences until later in the year.

ICTSD reporting; "Bush discusses tourism with leaders of three English-speaking Caribbean countries", AP, 20 March 2008. "Bahamas PM and US President Bush meet in bilateral talks," BANK FOR INTERNATIONAL SETTLEMENTS, 26 March 2008 "Caribbean Leaders Urge For CBI Extension In Bush Meeting", CARIB WORLD NEWS, 21 March 2008.

EVENTS & RESOURCES

EVENTS

Coming up: Coming up: 3 - 9 April

2-4 April, Rovigo, Italy. EUROPEAN CLIMATE CONFERENCE 2008: CLIMATE PROTECTION AND RENEWABLE ENERGY. The European Climate Conference, hosted by the International Council for Local Environmental Initiatives (ICLEI), is a capacity-building event that aims to transfer good practice and know-how from experienced local governments to medium and small communities who are currently starting up with climate protection or busy revising their local action plans. For more information, please refer to the conference website at <http://www.iclei-europe.org/index.php?id=5449>.

4-8 April, Miami, Florida, USA. INTER-AMERICAN DEVELOPMENT BANK ANNUAL MEETING 2008. Finance ministers, business leaders, civil society representatives and top artists from Latin America and the Caribbean will participate in the annual meeting of the Inter-American Development Bank. The IADB is the world's largest regional development bank and the leading source of multilateral financing for Latin America and the Caribbean. Miami will become the premier forum on Latin America and the Caribbean, as the IADB will bring together thousands of participants for five days of discussions on some of the region's most pressing economic and social issues. This year's program will include a special seminar on partnerships for development, focusing on the increasingly influential role played by individual and corporate donors in promoting innovative ways to combat poverty. This event, on Friday, April 4, will feature a dialogue between Microsoft Chairman Bill Gates and IADB President Luis Alberto Moreno. For more information please visit the meeting website at

<http://www.iadb.org/NEWS/articledetail.cfm?artid=4477&language=En>.

7 - 9 April, Arusha, Tanzania. MAKING SUSTAINABILITY STANDARDS SUITABLE FOR SMALL SCALE FARMERS: A UNCTAD XII PRE-EVENT. Agricultural producers and farmers in developing countries are facing increasingly complex and stringent standards and codes if they are to market their products on world markets. In addition to technical standards, such as the colour or size of apples, there is a growing range of quality, environmental and social requirements. Known as sustainability standards, these include pesticide-free production, child labour bans and decent pay. While these help to promote better practices in agriculture, their economic, social and political impact is all too often overlooked by wholesalers, governments and non-governmental organizations. They can run counter to development strategies aimed at the most disadvantaged by excluding small farmers in developing countries from international agricultural supply chains. The meeting will aim to identify the impact of the spread of sustainability standards on smallholder farmers in developing countries, particularly in Africa. The goal is to map effective strategies to minimize the costs and maximize the benefits of this global trend, and identify real economic, social and environmental win-win-win opportunities. For more information, please visit the UNCTAD website at <http://www.unctad.org/Templates/Meeting.asp?intItemD=1942&lang=1&m=15274&year=2008&month=4>.

8 - 9 April, Copenhagen, Denmark. RURAL ECONOMIC DEVELOPMENT: OPPORTUNITIES AND CHALLENGES FOR FUTURE GROWTH STRATEGIES. This conference, hosted by the Danish Development Research Network (DDRN), hopes to address two main questions. What are the current trends in development assistance to rural economic development? How can knowledge and research inform and inspire policies and practices on rural economic development? There will be presentations on the World Development Report 2008, Rural Economics development from a territorial approach, and markets impacts on small scale farmers. For more information, please visit the DDRN website at http://www.ddrn.dk/index.php?side_id=20.

8 - 11 April, New Delhi, India. GLOBAL AGRO-INDUSTRIES FORUM 2008: IMPROVING COMPETITIVENESS AND DEVELOPMENT IMPACT. The development of competitive agro-industries is crucial for creating employment and income opportunities and for enhancing the demand for farm products. Agro-industry development has the potential to provide employment for the rural poor in off-farm activities such as handling, packaging, processing,

transporting, and marketing of food and agricultural produce. Unfortunately, there are also risks and trade-offs in agro-industrial development often affecting the most vulnerable countries and people. Thus, it is important to build on experiences and understandings of trends, in order to formulate sound policies and strategies for fostering agro-industries. The GAIF 2008 hopes to help develop a shared vision on the factors critical to future developments of agro-industries, key factors affecting competitiveness and potential action areas. For more information please visit the conference website at www.gaif08.org.

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/meets_public/meets_e.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.

2-3 April: COMMITTEE ON SANITARY AND PHYTOSANITARY MEASURES

2, 4 April: TRADE POLICY REVIEW BODY - MADAGASCAR

4 April: WORKING PARTY ON THE ACCESSION OF ETHIOPIA

9 April: ZEROING PANEL (DS294) Public Viewing

Other Upcoming Events

20-25 April, Accra, Ghana. TWELFTH SESSION OF THE UN CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD XII). The conference, the largest ever organized by Ghana, will bring together heads of government, ministers and about 4000 participants from UNCTAD's 193 member countries to focus on the global economy and its impact on development. Delegates will consider how to spread the benefits of globalization more equitably so that no countries or peoples are left behind. This reflects the conference theme chosen by member States: addressing the opportunities and challenges of globalization for development. The conference will specifically focus on enhancing the worldwide policies for sustainable economic development and poverty reduction, with considerations of the current trade and development realities in the global economy. The

conference will also focus on ways to strengthen UNCTAD's influence and effectiveness within the International Development community. For more information and a complete list of conference documents, please refer to the website at <http://www.unctadxii.org/en/>

RESOURCES

REGIONALISM OR MULTILATERALISM: A POLITICAL ECONOMY CHOICE. By Giorgia Albertin, IMF, March 2008. This paper provides a political economy analysis of the incentives underpinning a country's decision to enter a regional trade agreement when a multilateral free trade agreement is available, and of how entering a regional trade agreement affects the incentives to pursue multilateral trade liberalization. Taking into account the influence exerted by organized interest groups in the formation of trade agreements, the authors derive a formal condition under which a regional trade agreement is preferred to a multilateral one. Furthermore, they show that a country's decision to enter a regional trade agreement unambiguously undermines the incentives towards multilateral trade liberalization. The paper is available online at <http://www.imf.org/external/pubs/cat/longres.cfm?sk=21821.0>.

FROM DECLARATIONS TO ACTIONS ON COMMODITIES: MAKING THE TURNING POINT AT UNCTAD XII. South Centre Policy Brief, March 2008. With the multilateral trade negotiations at an impasse, with the rising concern on climate change and energy insecurity, rising international food prices which disproportionately affect the poor, the time is ripe for all concerned on development to start taking concrete actions to address the plight of the commodity crisis. This paper sets out a number of goals for UNCTAD XII delegates to consider before the meeting later this month. The time is high for translating pledges and action plans on commodities into concrete actions. Given UNCTAD's historical role, there is no better framework other than UNCTAD XII for gathering the steam for this. The brief is available online at http://www.southcentre.org/info/policybrief/14UNCTAD_Commodities.pdf.

TROPICAL AND DIVERSIFICATION PRODUCTS: STRATEGIC OPTIONS FOR DEVELOPING COUNTRIES. By Santiago Perry for the ICTSD Programme on Agricultural Trade and Sustainable Development, March 2008. The purpose of this Issue Paper (No. 11) is to identify options for liberalising trade in tropical and diversification products. The paper seeks to balance the position of a group of Latin American countries that are seeking fullest liberalisation of trade in tropical and diversification products under the World

Trade Organization (WTO) with that of the African, Caribbean and Pacific (ACP) countries that have expressed their concerns that a multilateral elimination of tariffs might result in their loss of preferential access to the markets of developed countries. A possible methodology to help developing countries identify the tropical and diversification products of major interest to national development is proposed. The paper is available online at http://www.agradepolicy.org/output/resource/Tropical_and_Diversification_Products_Perry08.pdf.

THE LEGALITY OF PPMs UNDER THE GATT: CHALLENGES AND OPPORTUNITIES FOR SUSTAINABLE TRADE POLICY. By Jason Potts, IISD, 2008. Since the Tuna-Dolphin cases in the mid-90s, the treatment of process and production methods (PPMs) under the General Agreement on Tariffs and Trade (GATT), and subsequently the World Trade Organization (WTO), has been a pivotal point of debate and controversy for environmentalists, policy-makers and industry alike. And while governments and other stakeholders have since openly recognized the importance of policy which takes into account the nature of the processing and production methods, a general myth on the illegality of PPM-based policies within the WTO has persisted. Following an examination of the alleged grounds for this conclusion, as well as recent decisions by the WTO Appellate Body, the paper concludes not only that there is no basis for the assumption that PPM-based policy is a priori illegal under the WTO, but also that the legality of any given measure is favoured by taking guidance from basic principles of sustainable development such as economic efficiency, science-based decision-making and international cooperation. Building from this observation, the paper concludes by outlining a series of targeted strategies for the design of WTO-compliant PPM policy. The book is available online at <http://www.iisd.org/publications/pub.aspx?pno=950>.

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