

Least-Developed Countries: No New Trade Concessions Before Doha

The third United Nations Conference on Least-developed Countries (LDCs) closed in Brussels on 20 May with no significant new concessions from industrialised countries in key areas. The political declaration and the 60-page programme of action adopted by 193 government representatives emphasise that the 'primary responsibility for development in LDCs rests with LDCs themselves'. Financial commitments by 'development partners' – i.e. donor governments – remain largely the same as those adopted (and not yet reached) at last the last UN LDC conference a decade ago. Concrete goals, such as free and compulsory access to primary education for all children by 2015, are preceded by softening language, which specifies that 'measures will be pursued *in line with the following goals and targets*' (editor's italics).

The Trade Aim

The conference debates highlighted both the importance and the limits of LDC goods' duty-free access to industrialised country markets.¹ Although a host of goods from least-developed countries – some 90 percent of tariff lines – enter duty-free into most developed countries, quotas and prohibitive tariffs continue to restrict access of their most competitive agricultural and textile products. Significant tariff escalation for manufactured goods hampers LDCs' industrialisation and economic diversification efforts. And, more and more, all developing countries complain about ever-tightening sanitary standards and technical regulations, which they see as a deliberate strategy to keep out products that would pose a direct threat to competing domestic equivalents (see related article on page 3).

In their declaration, trade, finance and development co-operation ministers ringingly underscored their belief that increased trade was 'essential for the growth and development of LDCs', but they only committed themselves 'to seizing the opportunity of the fourth WTO Ministerial meeting in Doha in November 2001, to advance the development dimension of trade, in particular for the development of LDCs'. The action plan prudently states that industrialised countries will 'aim at' (rather than 'commit to') enhancing least-developed countries' participation in the multilateral trading system. For instance, they will 'aim, including through actions within relevant multilateral fora at improving preferential market access for LDCs by working towards the objective of duty-free and quota-free market access for all LDCs' products'. This contrasts with earlier draft language that would have committed them to aiming a little higher, i.e. 'removing all trade barriers facing LDCs exports in the markets of developed trade partners in the shortest possible time, and in any case no later than 2003.'

Similarly, the aim to make technical assistance for 'the implementation of multilateral trade agreements mandatory and an integral part to be undertaken in future trade agreements' emerged in the adopted action programme as 'strengthening, as required, technical assistance for the implementation of multilateral trade agreements and considering making such technical assistance an integral part of commitments to be taken in future trade agreements.'

In its earlier version, the draft programme of action had also proposed that development partners aim at 'exempting all LDCs, including those acceding to the WTO, from undertaking commitments on domestic support and export subsidies in the area of agriculture, and expanding non-actionable categories of industrial subsidies to include those subsidies for development, diversification and upgrading of industries needed by LDCs'. The final text only proposes that industrialised countries examine 'the possibility of strengthening the effectiveness of non-actionable categories of subsidies in order to take into account the needs of LDCs', and aim at 'increasing support to enhance agricultural production and productivity'.

According to the action plan, industrialised countries will aim to continue to support the effective participation of LDC in international standard-setting processes and to provide assistance for infrastructure needed for quality control. Other industrialised country goals are adhering to international standards in their application of the WTO's Agreement on Sanitary and Phytosanitary Measures, and 'taking measures, where appropriate, to compensate for trade losses incurred by LDCs as a result of unilateral measures found to be inconsistent with the SPS Agreement'.

The action plan also confirms the aim to build LDC's capacity, through the Integrated Framework for Technical Assistance and other channels, in trade negotiating, economic diversification, transport infrastructure, regional co-operation and enhancing women's ability to exploit trading opportunities.

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One concrete trade capacity-building initiative did emerge from the meeting: the decision to establish a World Trade University with headquarters in Toronto, Canada, and campuses in Africa and Asia. The institution is to be funded by UN agencies and private contributions. Its backers hope to have the university up and running by 2003 with some 600 students from developing countries and countries in transition attending the first year. Courses will focus on 'affordable and accessible' instruction in trade law, international banking and the multilateral trading system.

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ICTSD Initiatives Explore Value of IPRs to Developing Countries

At a recent ICTSD informal dialogue on Intellectual Property Rights, Biological Resources and the Protection of Traditional Knowledge, representatives from governments, NGOs, IGOs, academia and the media heard three different perspectives on the relevance of IPRs for protecting traditional knowledge (TK).

While not opposed to patents in general, Gordon Chavunduka from the Zimbabwe National Traditional Healers Association highlighted some of the practical impediments to obtaining patents on medicines and associated TK, such as the high cost associated with patent applications, and the question of how to share benefits in a fair and equitable way while taking into account the collective nature of the knowledge. He also expressed concern regarding the theft of TK by academics, scientist and other countries.

Anil Gupta from the Indian Institute of Management acknowledged that IPRs, while not the only type of incentive, can be useful for the protection of TK. Efforts should focus on addressing the asymmetries in the current IP system and amending the TRIPs Agreement, rather than attempting to establish a separate treaty on TK. Practical suggestions for improving the IP system included reducing the transaction cost for determining the 'novelty' of an innovation; allowing developing countries to seek protection for information disclosed up to five years prior to the TRIPs Agreement's entry into force; and developing an international internet-based registry for innovations. In addition, changes should be made to IP laws in developed countries, such as requiring patent applicants to show that the knowledge was obtained with the consent of the TK holder and/or in accordance with national regulations.

Alejandro Argumedo from the Indigenous People's Biodiversity Network, in contrast, did not regard IPRs as an appropriate tool for protecting TK, as they are based on terms and conceptual foundations outside the worldview of many indigenous peoples. Instead, TK should be protected through local strategies, which are linked to space, and by preserving the integrity of indigenous cultures. To this end, the Asociación Andes is establishing 'agro-biodiversity protected areas' based on local protocols that govern access to and transfer of biological material and associated knowledge. At the same time, Peru is developing a *sui generis* system to protect TK, which will attempt to link local management and systems to national legislation. Regarding possible changes to the IP system, he called for standard setting to ensure that user countries monitor where the knowledge originates before granting a patent, and for developing a treaty on innovation. At the international level, he regarded the Convention on Biological Diversity as the most appropriate forum for addressing these issues.

Capacity-building on TRIPs and development

The ideas explored in the informal meeting will be further developed in future ICTSD activities. In particular, ICTSD and UNCTAD, with financial support from DFID, are launching a two-year capacity building project on TRIPs and Development. The main goals of the project are to generate a better understanding of the development implications of TRIPs; and to strengthen developing countries' negotiating capacity. The project's key outputs are:

- The publication of a negotiating resource on TRIPs and development designed as a practical tool for negotiators and policy-makers to facilitate informed participation and decision-making processes;
- A policy discussion paper which will provide policy-makers and influencers with a broad understanding of IPRs issues and their impact on development;
- A series of case studies to allow concrete evidence to emerge on the impact and relevance of IPRs in developing countries. The studies will be selected on the basis of priorities identified by developing countries.

The published outputs will be the result of a thorough process of consultation with various stakeholders. This participatory process will lead to the establishment of a network of negotiators, policy-makers and stakeholders. Contact: C. Bellmann (cbellmann@ictsd.ch); H. Baumüller (hbaumuller@ictsd.ch).

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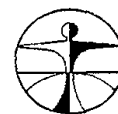


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