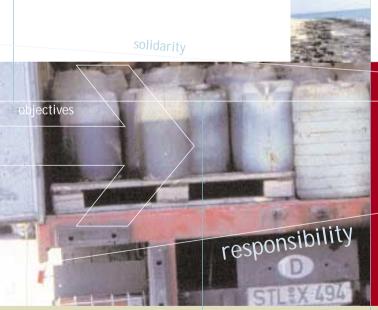
sustainable production & consumption patterns that meet environmental standards



Greenpeace

openness and consultation urgently needs to be improved to settle dispute procedures and WTO negotiations

prepared by Greenpeace International August 2001

focu

precautionary principle to be recognised by WTO for use in decision-making

safe trade in the 21st century

Greenpeace comprehensive proposals and recommendations for the 4th Ministerial Conference of the World Trade Organisation





"As an independent NGO, we campaign to ensure that governments and international institutions act in an environmentally and socially responsible manner"

GREENPEACE





safe trade in the 21st century: the Doha Edition

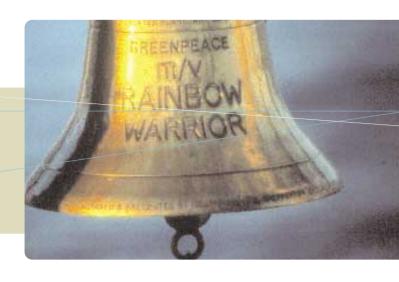
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Foreword:

WTO and civil society, an opportunity for Oatar





On the evening of 3 December 1999 when the Seattle ministerial conference of the World Trade Organisation (WTO) collapsed, in its final statement, Greenpeace International said with humour that "The WTO has two options: either its next meeting is in Pyong-Yang, North Korea, to avoid the protests from civil society, or it changes its attitude toward public scrutiny and democracy."

The WTO has not gone that far. But there is nevertheless — rightly or wrongly — a widespread belief in many countries that the 4th Ministerial Conference of the WTO is being held in Doha, Qatar to flee from the demonstrators and to create obstacles to the participation of non-governmental organisations (NGOs).

Many believe that the venue of the meeting in Qatar represents a challenge for NGOs. Greenpeace International is of the view that in fact it can represent a real opportunity, and therefore also a challenge, for the Qatari government.

We trust that the Qatari government will meet its commitment to allow peaceful protests and free speech in Qatar for the duration of the WTO Ministerial Conference, and beyond. Greenpeace International therefore trusts that the Qatari government will allow the Greenpeace ship Rainbow Warrior to visit Doha for the period of the WTO meeting.

Together with the crew of the vessel, people representing local communities from the five continents, whose livelihood and health is endangered by current WTO policies and practice as described in this booklet, will come to Doha on board the Rainbow Warrior.

Qataris from all walks of life, the members of the WTO Secretariat. and the representatives of the WTO member states are invited on board the Rainbow Warrior to hear the point of view of the local communities' representatives.

Intergovernmental decision-making processes are often flawed because they can be driven by individuals and constituencies that are not sufficiently in touch with the people and the environment that are likely to be affected by their decisions. Thus Greenpeace International will also hold in Doha its Third Seminar on Safe Trade, at which the people and authorities of Qatar, the participants in the WTO meeting, and representatives from NGOs are invited. Following two other seminars held in Seattle (1999) and Geneva (2000),1 the Third Safe Trade Seminar will be an opportunity to hear the testimonies of the local communities'

representatives who joined the Rainbow Warrior. It will also be a forum where the views and constructive proposals of other panel participants will be presented.

'Safe Trade in the 21st Century: The Doha Edition' is a completely new version that builds upon Greenpeace International's 1999 publication produced in cooperation with the Centre for International Environmental Law (CIEL) for the Seattle conference. The Doha Edition contains almost entirely new material and it contains sections on several new issues that have arisen since Seattle. The feedback received in Seattle from WTO delegates and staff, representatives of the press, and other NGOs had been very positive.

We hope to contribute again, with this Doha Edition, to the resolution of the on-going conflict between international trade and the environment. Our goal is to empower WTO member states with the political ability and will to agree in Doha with the key proposals contained in the Doha Edition (see Greening of Doha. p10). With this in mind, we look forward to working with all the stakeholders, including WTO member states, before and in Doha

Greenpeace International, August 2001



about the legitimacy of NGOs



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"NGOs are no longer seen only as disseminators of information, but as shapers of policy and indispensable bridges between the general public and the intergovernmental processes"

UN Secretary-General Kofi Annan, 10 July, 1998 The question of whether NGO activities and criticisms of the world trading system are legitimate has become increasingly a matter of debate since the Seattle WTO conference.

One controversy of course regards the escalation of street violence that has surrounded political meetings and summits since Seattle. Greenpeace International has condemned without ambiguity the violence of a tiny minority of protesters (see p5). We recognise the right and duty of governments and other stakeholders to meet to discuss the challenges, threats and opportunities that arise from globalisation, and to regulate international trade. We do not disagree with WTO Director-General Mike Moore saying that "nothing upsets [WTO member

states] more than the mindless, undemocratic enemies of the open society who have as a stated aim the prevention of ministers and our leaders from even meeting".²

The last two decades have seen the emergence of NGOs as non-state actors in international affairs. The input of NGOs in intergovernmental debates and negotiations is widely acknowledged and valued.3 It is well known however that a number of WTO member states have very strong views against the participation of NGOs in the WTO. Yet, most of these countries work very closely with NGOs in other fora covering disarmament, development, health, humanitarian, maritime and environmental issues. It would appear thus, that officials in the trade ministries of many countries hold strong views against

NGO participation without having given consideration to the positive experience of their colleagues from other ministries (e.g. from foreign affairs, health, development, environment or agriculture ministries). We would thus encourage these countries to harmonise their policies towards NGO participation at the interministerial level, and to increase the level of NGO participation in trade-related issues and within the WTO when it can be shown that NGO input in some areas has been beneficial to their country.

Mike Moore, "Open Societies, Freedom, Development and Trade", Plenary Opening, WTO Symposium on Issues Confronting the World Trading System, Geneva, 6 July 2001.

³ On the constructive role of NGOs as non-state actors in international affairs, see for example "The Role of Non Governmental Organisations" in "International Negotiation", vol. 4, no. 3 (1999), published by Kluwer Law International (The Hague).



4 Greenpeace International audited accounts are available at www.greenpeace.org/report99/index.html. also report2001/index

5 See for example Mike Moore's 'Mondialisation contre Marginalisation' in Le Monde, Paris, 26 May 2001.

6 On the role of NGOs within the UN system, see 'Arrangements and Practices for the Interaction of Non-Governmental Organisations in all Activities of the United Nations System', Report of the Secretary-General Kofi Annan to the 53rd Session of the UN General Assembly, Item 58 'Strengthening of the United Nations System', Document A/53/170, 10 July 1000

7 Incomprehensibly, in 2001 the WTO Appellate Body rejected a submission presented jointly by the Foundation on International Environmental Law, Greenpeace International, WWF, Ban Asbestos and others on the Canada vs France/EU case on the banning of lung cancer-inducing asbestos.

8 On the eve of the Seattle meeting, Mike Moore launched a forceful diatribe against the environmental NGOs which, he said, sought to increase starvation in the Third World. As recently as 2001, a WTO official publication ("WTO: Current Issues", p.15) claims that the budget of the WTO is smaller than that of Greenpeace International. This misleading claim was based on a flawed comparison, in that it compared the total revenues of all the Greenpeace national and regional organisations, and compared these with the operating budget of only the international secretariat of the WTO. The operating budget of the Greenpeace international secretariat, GSm euros), is much lower than the WTO operational budget, of more usor according to WTO published figures). The combined international trade-regs-related budgets of all the WTO member states are many times those of the combined annual income of all the Greenpeace organisations, which totals 144m euros. Furthermore, it is worth noting that only a small fraction of Greenpeace's budget is related to international trade policy and the WTO.

Greenpeace International started participating with an observer or consultative status in intergovernmental meetings 25 years ago. Currently, Greenpeace International has observer or consultative status in approximately 100 intergovernmental fora, and we have had Consultative Status Category II with the Economic and Social Council of the United Nations since 1988. The intergovernmental meetings where Greenpeace International participates on a regular basis range from the UN Commission on Sustainable Development, UNEP, FAO, the Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the International Atomic Energy Agency (IAEA), the International Seabed Authority, the International Maritime

Organisation, numerous regional

and global commissions and treaty

meetings dealing with different aspects of environmental policy, as well as the UN Framework Convention on Climate Change and the Convention on Biological Diversity, among others. If an organisation like Greenpeace International can participate constructively for many years without notable incidents in politically sensitive for a such as the NPT and in intergovernmental organisations that do not share Greenpeace's values, such as the IAEA, what does the WTO have to fear?

In July 2001, WTO Director-General Mike Moore suggested at a WTO symposium that "a debate should be held and understandings reached between civil society, the international institutions and Governments for a code of conduct that could include the rejection of violence, transparency from NGOs as to their membership, their finances, their rules of decision-making, and Governments, business and foundations [to] insist on rules of transparency and adher[ence] to an agreed "code", before they provide funding". He added that "Governments and their institutions should, in return, give those who follow such rules a stake in the process".

Greenpeace International is an independent non-violent organisation that receives no funds from governments and industry, thereby relying entirely on donations from the general public, and our audited accounts are publicly available every year. 4 However, although we would thus qualify as an organisation with "a stake in the process" according to Mike Moore's criteria, we would suggest that the Director-General of the WTO applies the same principles of political fairness, accuracy and transparency to

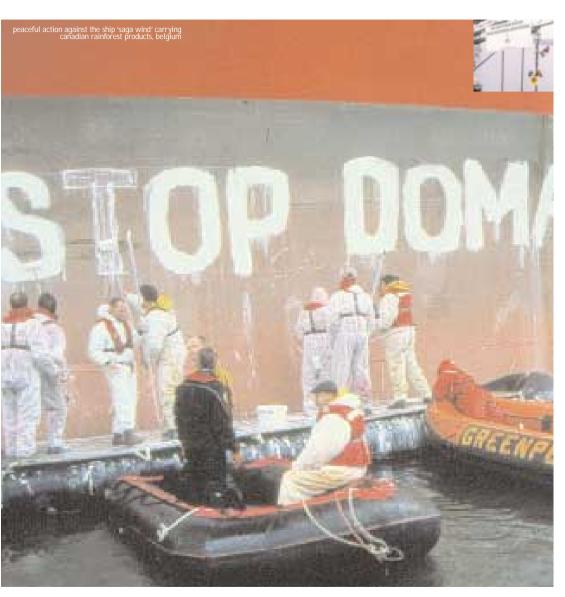
himself and his organisation. Namely, Mike Moore should:

- a) Apply strictly the principle whereby the Secretariat of any intergovernmental organisation is a "servant" of all the member states. thereby maintaining a prudent and neutral approach to issues that are being debated and avoiding taking sides when there is no consensus (whether or not there should be a new round of trade liberalisation is one such controversial issue on which the member states have not reached agreement, but Mike Moore is actively and imprudently campaigning for the launch of a new round);
- b) Stop promoting any particular industrial sector whose practice and impact does not have universal approval from the members of the organisation that he is supposed to service. (Repeatedly, Mike Moore stood as an apologist of the

proliferation of genetically modified organisms in food and agriculture, despite the fact that several WTO member states are striving to restrict or ban these commodities): ⁵

c) Propose with no ambiguity that the WTO should no longer meet behind closed doors and accept the input of the NGOs in good faith and in accordance with the practice accepted within the vast majority of intergovernmental organisations. 6 (To talk of "giving a stake", as Mike Moore does, is too vague and non-committal. Rules should be developed to allow NGOs to submit and present their input and proposals at the WTO meetings proper. If such rules existed, Mike Moore would not need to suggest a separate "code of conduct" which does not fall within the remits of the WTO). Until now the WTO has only payed lip service to NGOs. These have only been invited to attend a few symposiums, and to

- hang around the press room and cafeteria at ministerial conferences. The submission of amicus briefs to Dispute Settlement Panels remains highly controversial, 7 and even the Committee on Trade and the Environment and the Committee on Trade and Development of the WTO remain out of reach for NGOs. The most effective way to insure the end of the archaic "green room" practice whereby the former colonial powers decide for the rest of the member states behind closed doors is through the accreditation of NGOs at the WTO:
- d) Finally, if it wants the respect of the NGOs, the WTO and Mike Moore should change their rhetoric and check their claims at the source when they comment on the work of the NGOs, rather than systematically disqualifying them or misrepresenting what they are and what they stand for. 8



Greenpeace statement on the escalation of violence at international meetings

July 2001

- * Greenpeace is committed to nonviolence without any reservation.
- * As an organisation concerned with the threats and opportunities arising from globalisation, Greenpeace International disapproves of the violence that now often surrounds intergovernmental gatherings where relevant issues are debated.
- * Those responsible governments, police forces and the grassroots must do the utmost to prevent the current escalation of violence.
- * The violence of a tiny minority hides the peaceful and constructive message and activities of the immense majority in the grassroots movement addressing real issues that are almost universally recognised (i.e. the social and environmental impact of globalisation and the need to regulate and control international trade and corporations).

- * The disruption caused by violence is not helping the search for solutions. It is also endangering the ability of NGOs and civil society to be heard and understood, and to demonstrate peacefully.
- * With this in mind, we would like to encourage the press and media to be balanced in their reporting, so that disruption by a tiny minority is not allowed to shade the constructive and peaceful demonstrations of the vast majority in the grassroots. We are mindful of the obligation of the media to report on such events, but whenever possible, these should not be the dominating feature.
- * Aware of their responsibilities to protect people and public as well as private property, we urge also governments and police forces to act responsibly in a manner that enhances, rather than prevents, the ability of peaceful demonstrators to put their points across, without compromising freedom of movements and demonstration.
- * Finally, we call on all intergovernmental and business fora where the future of humankind in a globalised economy is debated to optimise transparency and NGO participation.

the WTO and safe trade





Two years after
Seattle, the 142
member governments
of the World Trade
Organisation (WTO)
have convened another
ministerial conference
in Qatar where
consideration will be
given to a proposal by
the G8 and EU
countries to launch a
new round of trade
negotiations.

Greenpeace International continues to be concerned that some governments are pushing for further trade liberalisation and for an expansion of the WTO's mandate, while ignoring the environmental and social shortcomings of a deregulated global economy, thereby frustrating rather than promoting sustainable development.

The WTO's own charter provides for "the optimal use of the world's resources in accordance with the objective of sustainable development". Yet the WTO continues to operate according to an outdated economic model based on the narrow pursuit of trade liberalisation as an end in itself. WTO decisions and policies rarely take account of the broader goals of social welfare that trade is, in fact, supposed to promote. Without a social framework to guide economic activity, trade will increasingly lead the world away

from sustainable development. As a result, international trade can lead to further abuse on the environment and natural resources, thereby increasing rather than alleviating poverty.

The WTO's rules and institutional structure reflect a vision of the world that has changed little since the aftermath of World War II. At that time, Western governments established the WTO's predecessor, the General Agreement on Tariffs and Trade (GATT), as well as the World Bank and the International Monetary Fund (IMF). Since then, the global economy has expanded exponentially. Its environmental impacts have grown so large that human activities now have discernible effects on the global climate. 9 Most of the developing world has achieved political independence from the imperial powers of Europe, the United States and the former Soviet

Union. Aspirations and movements for democracy and human rights are now pervasive. Yet the WTO continues to operate according to a "business as usual" post-World War II paradigm. Irresponsibly, it continues to operate on the theory that the use of non-renewable natural resources can expand infinitely. WTO policies fail to acknowledge that the planetary ecosystem imposes fixed limits on the amount of resources human beings can consume and the amount of waste they can generate without creating irreversible environmental harm or even ecological catastrophe. WTO policies and practices also largely ignore the historical disadvantages from which the developing world suffers at the hands of many of the same countries that now dominate world trade and the WTO. This lack of regard and consideration for the needs of developing countries was

at the heart of the failure to reach any agreement in Seattle. Despite the warnings from Seattle, the WTO also resists the democratic principles of transparency and accountability, seeking to maintain a decision-making process that is hidden from public view and closed to direct public input.

The negative consequences of this outmoded approach are magnified in that the WTO wields unprecedented power as a result of the last round of comprehensive trade negotiations, the Uruguay Round, which ended in 1994. Expanding well beyond the original tariff reduction goals of the GATT, WTO rules embrace areas not previously covered by trade policy, such as intellectual property. WTO rules are also enforced by a dispute settlement body (DSB) that provides for efficient adjudication of disputes and powerful sanctions to enforce compliance.

With this expansion of trade policy coverage and enforcement has come a series of cases in which trade rules have been used to challenge efforts by governments and civil society to address traderelated environmental, health and safety problems.

The system is out of balance:

- * The WTO's narrow pursuit of trade liberalisation is overshadowing other equally legitimate policy objectives;
- * The WTO is overreaching into areas like environmental policy-making that are rightfully the province of other institutions; and
- * Application of the WTO rules is interfering with the ability of governments to respond to citizen demands for protection against threats to environment and health.







There is an urgent need to implement Greenpeace's recommendations detailed in The Greening of Doha (see p10). WTO members should not proceed further with liberalisation of the world's markets until they have thoroughly assessed and mitigated the adverse impacts of the current trade rules on our collective ability to achieve sustainable development. Major reform of WTO rules and procedures are urgently needed. Governments must develop new rules for an international economic system that will support political democracy, social and environmental justice and sustainable development. At least until governments have carried out these assessments and reforms, they should not expand the mandate of the WTO, and the WTO should not embark on negotiations for further liberalisation.

Finally, Greenpeace is proposing that WTO member states take the opportunity of the WTO Ministerial Conference to pressure the United States with regard to this country's selfish rejection of the Kyoto Protocol. We call on WTO member states to say before arriving in Doha that they will not discuss the possibility of a new round of trade liberalisation if the US does not agree to ratify the Kyoto Protocol. This Protocol is one of the key international legal instruments required to balance the expansion (globalisation) of international trade and economic law with environmental sustainability requirements. Rejection of the Kyoto Protocol by the USA could fatally undermine this pillar of international environmental law. should it not enter into force. If it does enter into force without the USA, it would be unfair on other countries if US businesses are to

obtain competitive advantage from the, in effect, subsidisation of their pollution.

It is hoped that entry into force of the Kyoto Protocol occurs by or around the World Summit on Sustainable Development in September of 2002, with the ratification by Japan, the EU, Russia and Central and East European countries. The Bonn Ministerial Agreement on the implementation of the Kyoto Protocol adopted at Part II of the Sixth Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) on 25 July 2001, includes a legally binding compliance regime for the Kyoto Protocol which would be adopted at the first meeting of the Parties to the Protocol. However, following the adoption of the Bonn Agreement (which did not include the USA), Australia, assisted by Canada, Japan and the USA

attempted to change the legally binding character of this compliance regime.

The Doha WTO Ministerial Conference and the 7th Meeting of Contracting Parties to the UNFCCC will take place back-toback, the latter being scheduled in Marrakech, 29 October to 9 November 2001. According to plans, the Kyoto Protocol compliance regime is to be completed in Marrakech with a view to its adoption at the first meeting of the Parties to the Kyoto Protocol. But one can expect that Australia, assisted by Japan, Canada and the USA will continue to undermine the legally binding nature of the draft compliance regime of the Kyoto Protocol.

Given this context we urge WTO member states to use the opportunity of the WTO ministerial conference to:

- * state before arriving in Doha that they will not discuss the possibility of a new round of trade liberalisation if the US does not agree to ratify the Kyoto Protocol; and
- * insist that the Kyoto Protocol has a legally binding compliance regime with binding penalties for noncompliance.

If the US continues to refuse to ratify the Kyoto Protocol, WTO member states who support Kyoto should also consider bringing that country before a WTO Dispute Settlement Panel. This would be perfectly appropriate and relevant, because the US position on Kyoto is providing the equivalent of a hidden subsidy for their domestic industry, inconsistent with WTO rules.

Linking the new round to the Kyoto Protocol is fair also because the transport sector — which is enhanced by international trade — is the one with currently the highest increase in CO₂ emissions. The WTO therefore has a special responsibility in addressing this issue.







safe trade and the precautionary principle

Afficient is on the Cartagena Protocol on Biosanery, adopted under the auspices of the Cartagena Protocol on Biosanery, adopted under the ansible confirmation of the Post of the Confirmation of the Post of the

"Lack of scientific certainty due to insufficient relevant scientific information and knowledge regarding the extent of the potential adverse effects of a living modified organism on the conservation and sustainable use of biological diversity in the Party of import, taking also into account risks to human health, shall not prevent that Party from taking a decision, as appropriate, with regard to the import of that living modified organism intended for direct use as food or feed, or for processing in order to avoid or minimise such potential adverse effects".

Expressions of the precautionary principle emerged at the international and regional levels in the 1980s and 1990s. For instance it was endorsed as early as 1987 by the Ministerial Conference for the Protection of the North Sea, and later by the Governing Council of the United Nations Environment Program (UNEP) in 1989, the Contracting Parties to the London Convention on the dumping of wastes at sea in 1991, and the OSPAR Convention for the Protection of the Marine Environment in the North East Atlantic in 1992. It is a characteristic element of contemporary international environmental agreements such as the Convention on Biological Diversity, the Framework Convention on Climate Change, and the UN Agreement on Straddling and Highly Migratory Fish Stocks, and most recently the Cartagena

Protocol on Biosafety adopted in January 2000 and the Convention on Persistent Organic Pollutants (POPs) of May 2001. The precautionary approach is reflected in Principle 15 of the 1992 Rio Declaration on Environment and Development: Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

Precaution and prevention are essential guiding principles of this declaration. The need for the development of precautionary, preventive measures may be greatest when there is both the possibility of serious or irreversible harm, and scientific uncertainty as to the magnitude of the possible harm, the likelihood that it will occur, or the most effective means for addressing it. The principle is





based on the recognition that scientific certainty may never be achieved, and that even broadbased scientific consensus often comes too late to design effective policy and/or legal responses that avoid environmental damage before it occurs.

The precautionary principle does not prescribe precisely what actions to take in any given situation. Rather it simply maintains the premise that action to avoid harm is necessary, focusing particularly on the timing of such action and the degree of concern and/or uncertainty which justifies it. The principle is triggered in cases where there is the potential for serious or irreversible harm, such as persistent or widespread pollution, the threatened extinction of a species, or the introduction of new and potentially harmful products into the environment, such as genetically modified organisms.

The precautionary principle argues for taking action in advance to ensure that irreversible environmental damage does not occur. Scientific understanding of the nature and extent of the threat may well develop over time, but precautionary measures are not contingent on the assumption that it will. At the same time. precautionary measures are not taken without justifiable concern and so can provide the basis for definitive, transparent and responsible decision-making, allowing policy and practice to develop in recognition that certainty, or even consensus, may never be achieved.

Effective implementation of the principle also requires a shift in the "burden of proof" regarding the safety or sustainability of an activity from those charged with protection of the environment or human health to those who wish to

initiate or continue that activity. For instance, Article 11(b) of the World Charter for Nature, adopted by the UN General Assembly in 1982, calls for this shift in managing activities that are "likely" (but not certain) "to pose a significant risk to nature." Such activities "shall be preceded by an exhaustive examination" and "their proponents shall demonstrate that expected benefits outweigh potential damage to nature." Furthermore, "where potential adverse effects are not fully understood, the activities should not proceed".

Once the development of precautionary measures has been triggered, policy makers do not need to prove to an absolute scientific certainty that the threat of serious or irreversible harm will be realised – they need only to demonstrate that, given the current state of scientific knowledge, identification of the threat is iustified. Nor do they have to prove to a scientific certainty that the policy response they have chosen is the most effective one to deal with the threat - indeed, such proof may never be possible. The precautionary principle is considered to be the most rational and science-based approach because it takes account of the limits of scientific knowledge.9

Unfortunately, WTO rules, as currently interpreted, threaten to interfere with the application of the precautionary principle. To remedy this problem, Greenpeace International recommends that WTO members:

* Incorporate the precautionary principle in their decision-making as a scientifically rigorous approach, consistent with the principles recognised in the Rio Declaration on Environment and Development and other international instruments and declarations;

* Incorporate a shift of the burden of proof in dispute settlement proceedings and a clarification that the WTO acknowledges the principle. As a result, in a dispute settlement, the party objecting to measures protecting human health and the environment should have the burden to show that the challenged measures are without scientific foundation. The party objecting to restrictions on a product or substance that is not presumed benign (according to a multilateral environmental agreement or institution or national legislation) shall have the burden of proving its safety.

the greening of Doha

of a hidden subsidy for their domestic industry, inconsistent with WTO rules. Assessment As an initial step, the ability to ensure that trade rules are sustainable depends on the availability of accurate knowledge of the impacts of such rules. Comprehensive environmental and social impact assessments are thus essential to resolving the issues raised. This assessment process is long overdue. It must begin immediately. It must be open and transparent, global in scope, and conducted through a balanced and impartial process. It should be carried out in co-operation with all trading partners, and with the rest of the UN family (i.e. UNEP, UNDP, FAO, UNESCO, MEAs, etc) and take account of the expertise of NGOs. A retrospective and honest review of past and current impacts of existing policy must complement

a forward-looking reform.

The fundamental question is whether the framework of laws. policies and institutions is in place to ensure that additional multilateral steps to liberalise trade will lead to environmentally and socially beneficial outcomes. If not, then the assessment must formulate needed institutional, legal and policy changes.

"Decisions taken by our institution affect the lives of ordinary men and women all over the world. It is right that we should be held accountable

WTO Director-General Mike Moore 10

Rule changes

Even before complete assessments are conducted, it is clear that certain changes to the WTO rules and policies are urgently required.

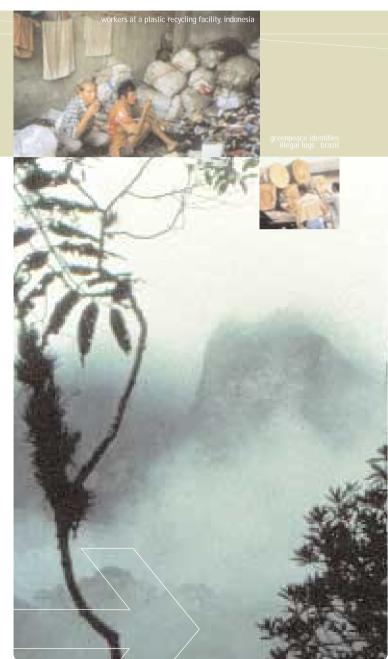
The WTO must stop promoting free trade at all costs. Trade must not be considered as a goal in itself; instead it should be considered and developed only as a tool to meet the international community's commitment to achieve sustainable development - a precondition to the maintenance of any sustainable economy. With this in mind. Greenpeace International believes that the following key proposals would represent decisive steps towards Safe Trade.

We are calling upon WTO members to give full consideration to these proposals, and to endorse them in Doha at the 4th Ministerial Conference of the WTO:

Kyoto Protocol/WTO linkage

WTO member states must seize the opportunity of the WTO Ministerial Conference to increase pressure on the United States with regard to their rejection of the Kyoto Protocol on Climate Change. WTO member states should say before arriving in Doha that they will not discuss the possibility of a new round of trade liberalisation if the US does not agree to ratify the Kyoto Protocol.

If the US continues to refuse to ratify the Kyoto Protocol, WTO Member States who support Kyoto should also consider bringing that country before a WTO Dispute Settlement Panel, because the US position is providing the equivalent







These changes include:

a) All WTO members must recognise that multilateral environmental agreements (MEAs) cannot be superseded by the WTO. WTO rules and decisions must support and not interfere with the objectives and effectiveness of MEAs:

"We need to recognise the gaps in the international architecture"

WTO Director-General Mike Moore

b) The WTO must incorporate the precautionary principle in its decision-making as the most scientifically rigorous approach. This must include a shift of the burden of proof in dispute settlement proceedings as an integral part of the precautionary principle;

"None of us has perfect knowledge"

WTO Director-General Mike Moore

c) In line with GATT Article XX and other relevant provisions, the WTO must accept the value of trade-restricting measures under clearly defined conditions that respect equity and other concerns of developing countries. National trade-related measures aimed at protecting the environment can be useful for managing domestic consumption, and catalysing international action in cases where there are no appropriate binding international environmental standards.

"Voters and consumers want more information and control, accountability and greater ownership"

WTO Director-General Mike Moore

d) Distinctions between products that are based upon production or processing methods (PPMs) related to the environment should be accepted by the WTO. Such PPMbased distinctions can be applied as

part of international agreements, as well as through appropriate national measures (e.g. eco-labelling and other labelling schemes aiming at informing the public on the hazards of certain goods);

"I know trade alone is not the answer" WTO Director-General Mike Moore

e) As a matter of principle, there should be no patents on life forms. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which constitutes a grave trade/environment conflict involving the Convention on Biological Diversity (CBD) urgently needs a solution. Harmonisation of Article 27.3(b) of the TRIPS agreement with the provisions of the CBD and the FAO International Undertaking is needed to guarantee the conservation and sustainable use of biological diversity, the protection of the rights and knowledge of indigenous and local

communities, as well as the promotion of farmers' rights.

"Heavy, fresh and creative thinking must be done about the roles, functions, jurisdictions, obligations, management and mandates of all international institutions and how to deliver our services"

WTO Director-General Mike Moore

f) Transparency, openness and consultation at the WTO urgently need to be improved, including the establishment of rules providing NGOs as well as indigenous and local communities with the right to be truly consulted in dispute settlement procedures, and to attend WTO negotiations. The fact that, in 2001, NGOs remain excluded from the meetings of the WTO Committee on Trade and the Environment and the Committee on Trade and Development is an anachronism. NGO participation would be mutually beneficial, and is likely to lead to improved mutual understanding;

"I welcome scrutiny, it makes us stronger and more accountable"

WTO Director-General Mike Moore

a) There should be more coherence in the subsidy reduction/elimination policy of the WTO's Agreement on Subsidies, taking into account environmental, social and development aspects. Environmentally damaging subsidies, e.g. in agriculture, forestry and fisheries, should be eliminated. Most importantly these subsidies put environmentally benign alternatives (such as clean production industries or practices of artisan fisherfolk) at a disadvantage.

"Kofi Annan wants \$10 billion to fight Aids; that is just 12 days of subsidies in dollar terms"

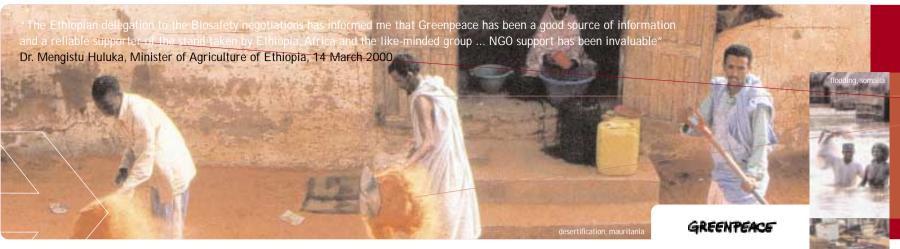
WTO Director-General Mike Moore

No New Round - Limit the expansion of the WTO

Greenpeace International urges WTO member states to give priority in Doha to the above recommendations, instead of launching a new round of trade liberalisation. Endorsement of these recommendations as the Doha agenda would constitute an excellent and concrete outcome for the 4th ministerial conference of the WTO. The issues and outstanding problems identified in this booklet demonstrate that it would be irresponsible to embark in a new round while they have not been resolved. Until the assessments and reforms listed above have been completed, further economic liberalisation should continue to be placed on hold. Now is the wrong time to expand the reach of the WTO into new areas.

"Critics, who are not all mad or bad. frequently say that we have too much power"

WTO Director-General Mike Moore



May we suggest to Mike Moore that, rather than preaching that there is a gap between the environmental NGOs and developing countries, he changes his rhetoric, and stops trying to torpedo the solid bridges that exist on many issues between environmental NGOs and developing countries?

are Greenpeace's recommendations realistic?

Is the greening of Doha possible? There can be little doubt that Greenpeace's proposals are needed if the WTO member states are serious about meeting their own pledges with regard to environmental protection and sustainable development from the last decade in other fora, including the 1992 Rio Earth Summit and all existing multilateral environment agreements (MEAs).

Ironically, the list of WTO member states is almost identical to the list of countries that have signed and/or ratified all the major MEAs. It is high time that governments reconcile their trade policies with their stated environmental policies and commitment.

Critics will claim that Greenpeace's recommendations are not politically realistic because they contain conditionalities that are unacceptable to developing countries, especially the precautionary principle. After Seattle, some commentators claimed that the conference failed because US President Bill Clinton. and to some extent the European Union, attached the launch of a new round of trade liberalisation to environmental and social conditionalities that were unacceptable to developing countries. This view is as simplistic and wrong as that of those who

believe that it was the street demonstrators alone who prevented the WTO members from striking a deal in Seattle. At the heart of the failure of Seattle were the lack of involvement of developing countries in the decision-making (the so-called "green room" from which developing countries are left out) and the lack of access for the products of the least developed countries (LDCs) into the markets of the rich countries

During and after Seattle, WTO Director-General Mike Moore launched direct attacks against environmental organisations, accusing them of disregarding the needs of developing countries and to be acting in favour of the rich countries. Yet, the practical reality shows that developing countries and environmental organisations can work very well and effectively together on the application of trade-related environmental

principles on specific issues.

For example, a ban on the transboundary movements of hazardous wastes from OECD countries to non-OECD countries was adopted in 1994 within the framework of the Basel Convention essentially as a result of the combined work of the G77 countries with Greenpeace and other environmental NGOs, with the support of the members of the European Union. This decision of environmental justice was achieved against the will of the governments of the US. Canada and Australia who opposed the proposal. This waste trade ban has now entered into force, despite the fact that the US continues to refuse to ratify the Basel Convention!

More recently, in January 2000, only eight weeks after the Seattle conference of the WTO, the Biosafety Protocol to the

Convention on Biological Diversity (known as the Cartagena Protocol) reiterating the right of any country to say "no" to genetically modified organisms (GMOs) on the basis of the precautionary principle, was adopted as a result, again, of a joint effort of developing countries with the European Union and environmental NGOs. Again this was achieved against the will, and despite the forceful opposition of the so-called Miami Group of crop exporting countries steered by the US, Canada and Australia and supported by the large US and European-based transnational corporations with vested interests in the expansion of GMOs in food and agriculture. The developing countries were the largest group demanding a strong Biosafety Protocol, and the outcome. supported by the environmental NGOs, was their victory.

Also in the framework of the negotiations that led to the adoption in May 2001 of a Convention on Persistent Organic Pollutants it was the US, Canada and Australia that were yet again opposed to progress in environmental policy against the wishes of the majority comprised of the developing countries. The same pattern, as is well known, also occurs in the framework of ongoing discussions with regard to the Kyoto Protocol to the UN Framework Convention on Climate Change, where the US, Canada and Australia are attacking the developing countries.

Clearly, the perception of Mike
Moore – who is openly a militant
advocate of the proliferation of
GMOs in food and agriculture –
does not coincide with what
happened in the Biosafety, Basel,
POPs, Kyoto and other negotiations.

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Backgrounder #1:

the WTO and relevant WTO rules



The WTO, established as an outcome of the Uruguay Round in 1995, is an intergovernmental organisation with 142 member states, though this number may have increased by the time the Doha conference takes place. Its members are required to comply with the trade rules established in a set of agreements generally termed the WTO Agreements, also resulting from the Uruguay Round.

As stated in the WTO's own publications, its agreements provide "the ground rules for international commerce". The WTO is intended to serve the private sector, not governments: "Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business." 11 This view of the world leaves out some important elements: the environment: the hundreds of millions of poor people who produce for their own survival, not for markets: and a wealth of broader social issues.

The Uruguay Round and subsequent "sectoral negotiations" added to the General Agreement on Tariffs and Trade (GATT) a series of new obligations that extend far beyond trade liberalisation's traditional focus on goods. Today, the WTO's rules embrace many other topics, including intellectual

property, investment, services, telecommunications, and financial services (banking).

To enforce these disciplines, the WTO has one of the most potent dispute settlement systems in existence at the international level. For this reason, the WTO has become the forum of choice for countries that wish to gain better market conditions for their businesses by imposing limits on the regulatory power of other governments. For similar reasons, it is also the subject of criticism by those groups concerned that a variety of values and interests (e.g. social, environmental, developmental, cultural, and gender) are adversely affected by economic liberalisation.

In addition to administering the existing WTO Agreements, the WTO is designed as a framework for ongoing negotiations to liberalise

the global economy. Their next opportunity to launch further negotiations on a large scale will be in Doha, where governments will consider whether to embark on a new round of talks proposed by the G8 and European Union countries. Since before Seattle, some industrialised countries have been pushing for new or stronger rules on "trade-related" issues such as electronic commerce, competition policy, investment and government procurement. Labour standards and environmental protection too were possible elements of the agenda in Seattle, but there continues to be very strong discrepancies of views.

Key WTO rules that affect the environment.

The 1994 Agreement Establishing the World Trade Organisation, negotiated in the Uruguay Round, includes a bundle of agreements. These WTO Agreements are binding upon all WTO members.

WTO Agreements relevant to environmental policy include:

- * the General Agreement on Tariffs and Trade (GATT) (originally signed in 1947, this agreement was incorporated into the WTO Agreements);
- * the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement):
- * the Agreement on Technical **Barriers to Trade (TBT Agreement)**;
- * the Agreement on Trade-Related **Aspects of Intellectual Property** Rights (TRIPS); and
- * the WTO Understanding on the Settlement of Disputes, which establishes the Dispute Settlement Body (DSB).

While the WTO is only a few years old, it builds upon a substantial institutional base that evolved over a period of 40 years under the

GATT. In addition to the Secretariat, the formal bodies of the WTO include the General Council (composed of the members), of which the DSB is a subsidiary, periodic ministerial conferences like the ones in Seattle and Doha, and a large number of other bodies and working groups on various topics, including a Committee on Trade and a Environment and a Committee on Trade and Development.

The General Agreement on Tariffs and Trade.

The GATT regulates trade in goods (as opposed to trade in services). It can be viewed as the overarching agreement, which applies whenever none of the more specific WTO Agreements that regulate trade in goods apply.

Article I of the GATT establishes





the most-favoured-nation obligation, which forbids member states from providing an advantage or privilege to products imported from one WTO member that is not provided to "like products" from another member. Article III establishes the requirement of national treatment, which forbids members from treating foreign products less favourably (for example through higher taxes or more stringent regulation) than domestic "like products." The GATT also prohibits most quantitative import and export restrictions on goods, such as quotas or bans (Article XI).

The most-favoured-nation and national treatment obligations are of particular concern from an

uses. The concern regarding panels' interpretations of "like product" is that the concept will be interpreted so strictly as to invalidate all trade measures based on production or processing methods (PPMs) that do not have an effect upon the nature of the final product itself, but can nevertheless have profound negative effects on the environment.

Article XX of the GATT provides for a number of exceptions to these obligations, two of which are relevant to environmental and health regulation. Article XX(b) excepts measures "necessary" to protect human, animal, or plant life or health. Article XX(g) excepts measures relating to the conservation of exhaustible natural resources taken in conjunction with

where the same conditions prevail, and shall not constitute a disguised restriction on international trade (for example, what some countries call "green protectionism", or protectionism under the disguise of environmental protection).

The Agreement on Sanitary and Phytosanitary Measures (SPS Agreement).

The SPS Agreement constrains the ability of national governments to regulate imports in the interest of maintaining food quality and preventing spread of disease and pests within their territories. A number of its requirements could hinder the ability of governments to implement effective measures to protect against the introduction of alien species, one of the greatest

environmental standpoint given how past dispute panels have interpreted the term "like product". Panels have held that these obligations require equal treatment of all imported and domestic products that have the same or similar physical characteristics or end

domestic restrictions. To qualify for these exceptions, a measure must also meet the requirements of the Chapeau (introduction) to Article XX. The Chapeau requires that a measure shall not constitute arbitrary or unjustifiable discrimination between countries

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threats to biodiversity and a growing issue highlighted by the United Nations Environment Programme (UNEP) and others.

The SPS Agreement contains three primary disciplines. First, national SPS measures must be based on a risk assessment and scientific

evidence, although "provisional" measures may be taken in the absence of "sufficient" evidence in certain conditions. Second. members must ensure that SPS measures are consistent with the non-discrimination principles of most-favoured-nation and national treatment, and are not applied in a way that creates "arbitrary or unjustifiable discrimination" or "disquised restrictions on international trade". Third, SPS measures must not be more trade restrictive than required to achieve the member's chosen level of SPS protection.

In addition to these obligations, the SPS Agreement encourages members to adhere to international standards and grant equivalence to

entities comply with relevant provisions of the SPS Agreement.

The Technical Barriers to Trade (TBT) Agreement.

The TBT Agreement is intended to ensure that WTO members do not use measures relating to product characteristics, labelling and packaging as disguised measures to protect domestic industries from foreign competition. The TBT Agreement also aims to reduce the extent to which such regulatory measures operate as barriers to market access by encouraging harmonisation. In light of past interpretations of trade rules and the overall anti-regulatory orientation of the Agreement, its requirements could interfere with eco-labelling schemes that create

but related obligations for two defined categories of measures: technical regulations and standards. A "technical regulation" establishes mandatory requirements for products or related processes and production methods (PPMs). A "standard", in contrast, establishes voluntary requirements for products or related PPMs. Both regulations and standards may also relate to "terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method."

The Agreement applies two primary disciplines. Firstly, it contains the non-discrimination obligations of

purpose. The TBT Agreement requires members to use international standards "as a basis for their technical regulations" unless the member can demonstrate that the relevant international standard "would be an ineffective or inappropriate means for the fulfilment of [a] legitimate objective" (which includes the protection of human, animal or plant life or health).

The TBT Agreement seeks to extend its reach to non-government entities by requiring central governments to "take such reasonable measures as may be available to them" to ensure that they comply with its terms as

constrain local and private initiatives.

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

This Agreement establishes minimum standards for intellectual property rights (IPRs), including patents, copyrights, trademarks, and trade secrets. In particular, Article 27 requires WTO members to recognise patents on nearly all types of products and processes, including modified microorganisms. Members must protect plant varieties either through patents or an "effective sui generis system" or both. They retain the discretion whether to recognise patents on plants or animals.

Many developing countries and NGOs are concerned that the patenting of life forms poses ethical issues and interferes with the equitable sharing of benefits between North and South. There are concerns that IPRs as defined under TRIPS fail to acknowledge and compensate the contributions of indigenous and traditional communities in the form of plant genetic diversity and informal knowledge about biodiversity. And there are broader concerns about the impacts of IPRs on competition, access to medicine, transfer of technology, freedom of information and communication. and the direction of scientific research.

The Understanding on the Settlement



other members' laws. It includes obligations relating to transparency, technical assistance and special and differentiated treatment of developing countries. It also requires members to take reasonable measures to ensure that

non-governmental and regional

incentives for sustainable production, respond to the consumer's right to know, and help the public take responsibility for the effects of their own consumption.

The Agreement creates different

most-favoured-nation and national treatment. Secondly, it requires members to ensure that their national regulations do not create "unnecessary obstacles to international trade" and are not "more trade-restrictive than necessary" to achieve their

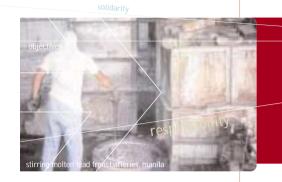
embodied in a Code of Good Conduct annexed to the Agreement. Analogous provisions in the GATT requiring countries to take all reasonable measures have been interpreted by past dispute panels to require governments to take all constitutionally available means to

of Disputes.

The WTO Understanding on Rules and Procedures Governing the Settlement of Disputes establishes what is perhaps the most potent dispute settlement system in existence at the international level Previously, under the GATT, a GATT party in a dispute could simply refuse to permit the adoption of a GATT panel decision of which it did not approve. Under the dispute settlement procedures of the WTO, however, the final decision of the DSB is automatically adopted unless the membership as a whole - including the winner of the dispute - rejects the decision by consensus. Unlike the dispute-resolution mechanisms defined under most other international agreements, the WTO dispute settlement system can handle large numbers of disputes with relative efficiency.

If a WTO member's trade-related measure is found to be inconsistent with its WTO obligations in a WTO dispute settlement proceeding, the member faces a difficult choice. If it does not lift the measure, it will be required either to compensate the challenging party for the harm caused by the measures, or to suffer the effects of proportionate retaliatory measures from the challenging member.

achieving safe trade in a global economy





The widespread concerns about the manner in which economic globalisation is proceeding are warranted in light of environmental and other considerations. Growing trade and foreign investment. and intensifying economic relationships among countries, may bring benefits. But the global economic system is also leading to serious problems.

Trade rules are clashing with environmental standards, and national measures to protect the environment are removed as a result. The income gap between rich and poor countries continues to grow. International trade is increasingly a factor in the irreversible degradation and depletion of forests, fisheries and other natural resources.

The world needs a global framework of law, policy and institutions that will create a more balanced global economy with sustainable impacts on the environment and natural resources, and that will benefit all people in a fairer, more equitable way. Without such socially protective parameters within which the economy operates, achieving sustainable development, regardless of the economic model, is unlikely. International rules that require governments to remove trade restrictions must be

developed and applied in harmonious balance with international rules requiring governments to institute and maintain strong standards for environmental quality, worker safety, consumer protection and public health. Industrialised country governments must provide at least the same level of political and financial support for international environmental agencies like the United Nations Environment Programme (UNEP) that they do for international trade agencies like the World Trade Organisation (WTO).

The WTO, as a central and increasingly powerful element of the international economic system, must be reformed so that the public knows about and can participate in decisions that may affect environmental quality and other aspects of social welfare. When WTO decision-making may have

environmental effects, there must be a process for integrating consideration of those effects into decision-making, through comprehensive environmental assessment procedures in which environmental authorities have a prominent role. At the same time. the WTO must not become an institution that makes environmental policy – its province is trade, not environment. Thus, the WTO's rules must be reformed to place clear limits on its jurisdiction, so that its decisions and rules do not intrude on regulatory areas like environmental protection that should be left to institutions with the proper authority and expertise. It is important that trade rules are not allowed to supersede others such as environmental rules.

In today's world, governments have agreed to a centralised global decision-making forum and uniform standards for trade liberalisation to

a far greater extent than they have in the areas of environment. consumer protection and health. In the latter areas, governments retain great sovereign power to set and enforce protective standards in response to the demands and values of their citizens. To correct the balance between trade and environment, the WTO will have to refrain from second-quessing the decisions of national governments about environmental protection, a field in which the WTO has little or no expertise and no legitimate authority. Where a mixed trade and environment issue arises, there must be deference to the relevant environmental authorities, whether national or international, with respect to the evaluation of scientific evidence and determination of acceptable risk. In particular, WTO rules need to recognise environmental regulation based

upon the precautionary principle.

At the same time, the world's governments must support development of a stronger international system for environmental protection. They must recognise that multilateral environmental agreements (MEAs), at least as much as multilateral trade agreements, are legitimate expressions of the international community's values and objectives, and trade related measures under MEAs are consistent with trade rules. Governments must fulfil the terms of the "Rio Bargain" agreed to at the Earth Summit in 1992, by which rich countries agreed to provide the financial and technical assistance that developing countries need to achieve sustainable development so that all countries can benefit.

EU GMO GATT

Dispute Settlement Body (of the WTO) European Union European Commission Genetically modified organism General Agreement on Tariffs & Trade

Intellectual property rights

Most-favoured nation

SPS

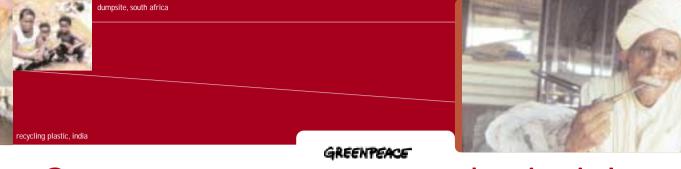
NICO Non-governmental organisation Non-tariff measures Organisation for Economic Co-operation **OECD** Production or processing method Sanitary & Phytosanitary Measures

Multilateral environmental agreement

Technical Barriers to Trade Trade-Related Aspects of Intellectual Property Rights

United Nations Environment Programme LINEP UNFCCC United Nations Framework Convention on Climate Change

World Trade Organisation



Globalisation: Greenpeace summary and principles

Since its early days, Greenpeace has campaigned globally to protect the global commons (e.g. oceans, climate/ozone, nuclear disarmament) on issues of global concern (ancient forests, toxics, GMOs, etc).

Likewise, Greenpeace has worked on specific aspects of international trade since the 1970s, with a view to limiting its impact on the global environment (banning the international trade in endangered species, and the export of hazardous wastes and nuclear materials, etc). Greenpeace was in many cases instrumental in achieving international agreements banning or controlling polluting and destructive trade practices. However, since the 1990s, and in particular since the creation of the WTO, trade-related environmental measures have been under threat by the international trading regime, including the WTO's dispute

settlement procedure, North American Free Trade Agreement, etc. As a result, Greenpeace has increasingly confronted international trade rules and practices that undermine global environmental standards, the precautionary principle, human health and the wellbeing of people, particularly the poor.

Greenpeace opposes the current form of globalisation that is increasing corporate power. Trade liberalisation at all costs, leads to further environmental and social inequity and undermines democratic rights. It does not lead to poverty alleviation. Governments must listen seriously to the concerns expressed by citizens from all over the world, and best illustrated by the events that surrounded the Seattle summit of the WTO in 1999. In promoting "global environmental standards"

and opposing transnational

corporations' (TNCs) "double standards", we advocate a new approach: forms of global governance, including trade and finance, that are open, transparent, fair, equitable and under democratic control. A trade regime that works for all, and preserves and restores the environment.

The practice of international trade and finance institutions must be consistent with the need to integrate development and environmental policies as acknowledged since the Rio Earth Summit of 1992.

Greenpeace's approach to and relationship with the international institutions that are associated with the growing globalisation trend (WTO, World Bank/IMF, etc) is in line with our approach to other intergovernmental organisations within and outside the UN system. As an independent NGO, we

campaign to ensure that governments and international institutions act in an environmentally and socially responsible manner. Greenpeace employs all legitimate tools and tactics, which range from dialogue and coalition-building on specific projects and policies, through to non-violent confrontation and protests, when necessary. We were among the first to carry out peaceful direct actions against the World Bank and WTO/GATT: we shall continue whenever this is required.



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