



WWF & CIEL CALL FOR



CAPACITY BUILDING & TECHNICAL ASSISTANCE FOR SERVICES TRADE ASSESSMENT

Joint Statement
CIEL/WWF International
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The Doha Ministerial Declaration¹ renews commitments and introduces tight schedules for moving into the next phase of market access negotiations on trade in services. It requires WTO members to submit initial requests by 30 June 2002 and initial offers by 31 March 2003. Thereby, the Ministerial Declaration not only ignores repeated calls for conducting a thorough and comprehensive assessment ahead of new liberalisation efforts; it also provides an unrealistic time frame for conducting such assessments, and thus for guaranteeing informed multilateral services negotiations, which support economic, developmental and environmental needs.

1. Taking stock of the services assessment debate: Concrete actions remain absent

Overall, concrete action on services assessment has remained absent in the WTO. This is evident from the compilation of relevant statements and submissions, which the Secretariat provided at the last Special Session of the Council for Trade in Services (CTS):²

- Despite regular and intense discussions on assessment of services trade and its liberalisation since 1998, very little has been produced in terms of specific “on the ground” assessment processes, may they be conducted at the sectoral, national or regional level.

1. Paragraph 15 of the Ministerial Declaration, Ministerial Conference, Fourth Session, Doha 9-14 November 2001, WT/MIN(01)/DEC/W/1.

2. Background Note by the Secretariat, for the Council for Trade in Services, Special Session, Assessment of Trade in Services, Compilation of Relevant Statements and Submissions, S/CSS/W/104, 28 September 2001.

3. Several industrialised countries have carried out studies of their services sectors in order to determine their position for the GATS 2000 negotiations. The US and Canada have committed to conduct an environmental review of WTO negotiations, which includes issues related to trade in services. Similarly, the EC has announced that it will conduct a sustainability impact assessment of new negotiations focusing on several sectors of importance. Norway has already undertaken valuable work, for example in the transport sector and the government has also commissioned ex-post studies examining the impact of the Uruguay Round, including the GATS. Finally, work on assessment is also being conducted in the context of the OECD.

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- Developing countries have been driving the issue of assessment of trade in services from the beginning and have successfully made it a standing item of the Special Sessions. In contrast and with a few exceptions, developed countries have been surprisingly lukewarm in supporting developing countries' call for a better understanding of services trade liberalisation and its economic, developmental and environmental implications.⁴

Before the October CTS session, WWF and CIEL suggested concrete steps that governments can take to initiate effective and comprehensive assessments:⁵

- First, each WTO member should identify one or two key priority sectors, and focus on reviewing the effects of trade in services in those sectors;
- Second, WTO Members should develop a set of key questions and issue areas to help direct the assessment analysis;
- Third, they should seek the expertise and assistance of relevant international organisations, as well as civil society groups, who have expertise in relevant sectors and issue areas;
- Finally, WTO Members should commit to carry out a preliminary assessment of the costs and benefits associated with services liberalisation prior to proceeding with the next phase of negotiations.

Unfortunately, neither Ministers in Doha, nor the majority of Members in the CTS, have taken measures to implement these recommendations, with one valuable exception.

2. Developing countries' submission on assessment: A first step forward

At the October CTS, ten developing countries submitted a communication on assessment of trade in services.⁶ This document provides a first step towards making assessment a reality and is a significant move forward. Amongst others, this submission:

- Suggests a comprehensive set of criteria by which an assessment can be conducted;
- Recommends a possible framework for assessment;
- Calls upon UNCTAD and other relevant UN agencies to assist with carrying out services assessments;
- Recommends demand-driven technical and financial assistance in this field.

In light of this submission and the Doha Declaration, including the tight negotiating schedules, WWF and CIEL urge WTO members to move beyond simply noting the importance of conducting a thorough and comprehensive assessment of services trade liberalisation.

4. According to the minutes of the CTS meetings on assessment compiled by the Secretariat, no industrialised country took the floor during the July 2001 session. At the March 2001 meeting, few industrialised countries took the floor and reacted rather reluctantly to a developing country submission, which pointed out mixed experience with respect to services trade liberalisation under GATS. Unfortunately, the minutes of the October 2002 Special Session are not yet available to the public.

5. Call on WTO Members to Conduct an Assessment Before the Next Phase of Services Negotiations, Joint Statement CIEL/WWF International, October 2001.

6. Communication from Cuba, Dominican Republic, Haiti, India, Kenya, Pakistan, Peru, Uganda, Venezuela and Zimbabwe, to the Council for Trade in Services, Special Session, 9 October 2001, S/CSS/W114, Assessment of Trade in Services.

The remainder of this statement offers suggestions on how to promote “on the ground” assessments (i) to avoid possible negative outcomes of further services liberalisation, and (ii) to operationalise the assessment mandate as provided by paragraph 14 of the March 2001 GATS Negotiating Guidelines.⁷

3. Capacity building for services trade assessment: Providing immediate technical and financial assistance

A. Taking opportunity of the WTO symposium on services assessment for real capacity building

It is likely that the WTO Secretariat will organise a symposium on assessment of trade in services. WWF and CIEL consider that the following issues are key to ensure a positive outcome: first, it is important to mention that the symposium is not a substitute for any “on the ground” assessment; second, the symposium should focus on the process of how to carry out national and/or regional assessments and provide concrete tools to undertake them. For example, amongst the participants of the symposium, a list of experts could be developed to help those countries involved in assessment processes. A set of methodologies for services analysis could also be assembled, giving countries a more precise understanding of different ways to conduct such assessment.

In order to ensure truly beneficial results from a sustainable development perspective, the symposium, as well as the process of setting up its agenda, content and list of speakers, should be undertaken in an open and transparent manner. WWF and CIEL call upon the WTO Secretariat and WTO Members to consider the following two suggestions:

- First, to make available the draft agenda of the symposium to the general public and to gather comments and suggestions from relevant intergovernmental and non-governmental organisations, as well as academics and other interested individuals, who have expertise and experience in assessment related issues;
- Second, to allow a wide range of different stakeholders to participate in the symposium with a view to ensuring a balance between various fields of expertise and technical/professional backgrounds.

This would allow the WTO to reaffirm its commitment to the objectives of sustainable development, such as stated in the Preambles of the Marrakech Agreement and the Doha Ministerial Declaration.

B. Effective and targeted technical and financial assistance: Living up to past commitments and those of the Doha declaration

Providing financial and technical assistance in a timely and adequate manner is a critical element in the context of services assessment. This has been highlighted in the recent communication of

7. Guidelines and Procedures for the Negotiations, on Trade in Services, Adopted by the Special Session of the Council for Trade in Services on 28 March 2001, S/L/93. Paragraph 14 states that “The Council for Trade in Services in Special Sessions shall continue to carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of the GATS and of Article IV in particular. This shall be an ongoing activity of the Council and negotiations shall be adjusted in the light of the results of the assessment. In accordance with Article XXV of the GATS, technical assistance shall be provided to developing country Members, on request, in order to carry out national/regional assessments.”

developing countries, which states that “demand driven technical assistance should be provided for this purpose to developing countries, especially in LDCs.”⁸ In this regard, the GATS Negotiating Guidelines also require “...that technical assistance shall be provided to developing country members.”⁹ Similarly, in the Doha Ministerial Declaration, WTO members committed to ensure adequate technical cooperation and capacity-building for developing countries, and recognise the need for secure and predictable funding therefore.¹⁰

As some are already questioning the sincerity of such provisions,¹¹ WWF and CIEL call upon the WTO Secretariat and developed countries to come forward with precise technical and financial commitments to support services trade assessment. In this context, WWF and CIEL offer the following suggestions:

- First, preliminary assessments of services trade, such as those suggested in the recent developing countries’ submission on assessment, should be encouraged through a rapidly accessible funding mechanism. This funding mechanism should be specifically targeted at the short-term delivery of preliminary assessments and assist developing countries in the ongoing services negotiations. It is therefore crucial that this mechanism responds to the needs and preferences identified by developing countries.
- Second, the CTS, in cooperation with relevant committees and agencies responsible for technical and financial assistance, should develop a process whereby funding is allocated according to the scope and focus of the assessment and related activities. This process should focus on the long-term objective of establishing modalities for regular capacity building, empowerment, and training on assessment related activities, as well as for carrying out specific assessments.

4. Conclusions

WTO Members need to develop a preliminary understanding of the costs and benefits associated with services trade liberalisation before commencing the next phase of market access negotiations. Unless all WTO members proactively engage in discussions on services assessment and begin undertaking assessments on the ground, there is no guarantee that future market opening and liberalisation of services trade will benefit all WTO members, and serve developmental and environmental needs. The December CTS session provides an opportunity to consider the above-mentioned recommendations and to take visible steps towards implementing them.

8. Joint communication from developing countries on assessment of trade in services, IV.3 (iv).

9. GATS Negotiating Guidelines, paragraph 14.

10. See paragraphs 38, 39, 40 and 41 of the Doha Declaration, where Ministers “confirm that technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system” and “agree that there is a need for technical assistance to benefit from secure and predictable funding”. In addition, paragraph 15 of the Doha Declaration reaffirms the GATS Negotiating Guidelines, amongst which paragraph 14 and its commitment to technical assistance for assessment of trade in services.

11. See Financial Times, where Martin Wolf notes in the context of the technical cooperation trust fund that “sums are grossly (and deliberately) insufficient”. Financial Times, 21 November 2001, Broken promises to the poor.

