



## **APRODEV<sup>2</sup>**

### **Food Security, Trade and Gender**

### **”Trade for People, not people for trade”**

## **Evaluation of the Cancun 5<sup>th</sup> WTO Ministerial meeting**

### **“Success or Failure for whom?”**

Shortly before the sudden ending of the WTO summit in Cancun on Sunday morning the 14<sup>th</sup> of September, the protestant development organisations in Europe associated in APRODEV, Brussels, Belgium, and observers at the WTO Ministerial Conference in Cancun, spoke out on their deep concern about the course and content of the negotiations in the so called Doha Development Round.

In spite of the strong counter proposals on Agriculture presented during the week by the G21, with Brazil, China and India in the lead, and the insistence of the G90, a group of Least Developed Countries, on dropping the Singapore issues until agreement on Agriculture were achieved, these contributions were just occasionally reflected in the final draft declaration showing limited negotiating space for developing countries. The direction was clearly disappointing for these countries with little hope left for a real Development Round to materialise.

APRODEV agencies wonder about the reasons why Cancun collapsed so suddenly. Was it the strange move of the WTO summit’s president Derbez to change the subsequence of dealing first with Agriculture and then with the Singapore issues, and turn it the opposite way around the next and decisive day? Was it the political incapability or unwillingness of the EU and the US to take a step forward towards developing countries? Or were positions between US and EU so split up on the Singapore issues and the agricultural domestic policies that the US had more to gain by a failure of Cancun than the EU, who had already made some progress on the CAP-reform in comparison to the US’s Farm Bill? Does the economic crisis in the US and EU push competition on world markets in developing countries so high that the law of the jungle in bilateral and plurilateral agreements is more favourable for the biggest economic power(s) in the world?

No matter how we look at it, there was a first political gain for the G21 and G90 in the sense that they remained together as a political counterforce for the first time in history. It is evident and understandable that this situation was celebrated by the developing countries governments and civil society organisations. Looking deeper, the only conclusion is that there were no concrete results either favouring the developing countries or its people: the poor, the vulnerable and the hungry. Now, one month after Cancun, we can see that the rush for bilateral and plurilateral trade agreements by the EU (ACP) and the US (APEC and FTAA) is speeding up.

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<sup>2</sup> APRODEV is the Association of World Council of Churches related Development Organisations in Europe. At present, 17 development and humanitarian aid organisations from 14 European countries cooperate through APRODEV.

## **APRODEV's objectives in relation to the EU's position in Cancun**

The Joint Advocacy Project operates from a gender perspective and was established to focus on the following general objectives:

- to influence EU policies in the field of trade and agriculture, and ensure that these policies support global and local food and livelihood security;
- to influence the international rule setting processes in the field of food security, trade and agriculture by influencing EU policy making.

In relation to the position of the European Commission in the WTO negotiations at the 5th Ministerial Meeting in Cancun from 10-14 September 2003, APRODEV asked specific attention for the following points:

1. *Trade* must be an *instrument to promote life* in just, participatory and sustainable communities. Justice is inseparable from love and 'agape' (which means creative sympathy and responsibility for the suffering and the oppressed) siding with the poor and the weak and furthering their interests.
2. In our advocacy we start from the universal *right to adequate food*, recognising that the primary aim of promoting and implementing the right to adequate food is to reduce hunger and malnutrition and to advance nutritional wellbeing for every *individual* child, woman and man. This rights based approach towards development thus implies that the individual person's nutritional status is the starting point. The World Food Summit-fyl (WFS+5) also confirmed the *right of everyone to have access to safe and nutritious food*
3. Trade subsidies and *dumping* by rich industrialized countries *destroy local markets and local food production in the South*. Therefore, we are convinced that rich and powerful nations should leave space for allowing developing countries to protect their local markets against dumping of agricultural product and food aid of subsidized surpluses, until dumping has stopped.
4. The "*Peace Clause*", instituted in 1994 and ending by December 2003, should NOT be extended. This protective measure for the period of 10 years was agreed upon on behalf of the EU and the USA in order to phase out their trade distorting measures under WTO rules. This privilege should disappear.
5. *Patenting of all natural life forms*, like seeds, genetic resources for food and agriculture, and naturally occurring organisms should be *excluded from TRIPS*. The access of small and subsistence farmers to their own seed reproduction should not be replaced by a dependency on international agro-industries.

## **General analysis**

The collapse of Cancun did not come as a surprise. It was even expected, as proven by the deliberations in advance on "what if the Development Round in Cancun fails".

Months before Cancun all the *deadlines* on the Agreement on Agriculture, being the major development issue which developing countries had to expect the Development Round to deal with, were missed. Proposals like the Development Box were completely left out of all official documents like the Harbinson drafts and the Draft Ministerial Declarations and compromises on its contents were very poorly reflected in Special and Differential Treatment paragraphs for too limited periods of time.

The only partial agreement was concluded on *TRIPS* on medicines a few days before Cancun, but with a slightly diluted text in comparison to the text agreed upon in Doha. *TRIPS* and seeds, an Aprovev issue, were not discussed in Cancun. Shortly after Cancun Aprovev received a response letter from Mr. Lamy stating that with regard to this aspect the *TRIPS* text can be interpreted widely enough in order to guarantee that the interpretation of protection of

seeds and natural life forms under the present formulations could be fitted in, and therefore no adaptations were needed so far.

The elimination of subsidies under the last Ministerial draft of the *Agreement on Agriculture* does not show concrete results on all products. Dumping will continue, destroying local markets and food and livelihood systems. Moreover, the North retains unlimited possibilities to continue to subsidise their agro-industries alongside their commercial farmers. Special and differential treatment paragraphs on food and livelihood security do not guarantee effective defence mechanisms to protect themselves against dumping practices. Even the Peace Clause, obliging countries not to take countervailing measures against unfair dumped imports, was brought up again for extension: a privilege for the US and EU.

A gross example of how the draft works out for developing countries is the failure of the *Cotton Initiative* of four African countries to eliminate the export credits and subsidies on cotton in the United States and the European Union. All the text offers is directing existing programmes and resources towards diversification out of cotton production of the economies depending on just cotton production and even showing a comparative advantage. In other words: “Stop producing cotton and do something else”. Cotton farmers of the Sahel under immediate threat negotiated in vain. The devastating world market price for cotton due to dumping by the rich nations will destroy their livelihoods. Why do developing countries have to differentiate so many times, whereas rich countries stick with their markets and production?

A real obstacle for developing countries was the insistence on adoption of the *Singapore issues* on the WTO agenda, mainly by the EU. In all contacts of the APRODEV agencies with its Southern partner organisations it became clear, long before Cancun, that these new issues on investment, competition, transparency in government procurement and trade facilitation was too much. Most countries neither had the technical nor personal capacity to even start thinking on the issues, left alone to start negotiating about them or creating means for their implementation at a national level. It was too overstretched an expectation of the EU to find bondage there. It must be stressed that this situation did not have anything to do with unwillingness on the part of developing countries. This message was passed to EU and EU member states official negotiators over and over again. When the US apparently was not bother too much about the new issues either, the EU finally was forced at the very last moment to withdraw its announced deadlock on the issues.

Finally the *process* of negotiations in WTO was addressed as “medieval” by EU Commissioner Mr. Pascal Lamy. We can only agree with his statement. Real reforms in the WTO structures will have to take place to make the process more transparent, less dependent on “the friends of the Chair” in crucial positions, presiding working groups and drafting texts. On the other hand the style of negotiations has to change: the lack of equality between negotiating partners is not a good basis for the traditional brinkmanship usual in trade negotiations between equals. Too much was depending on steps forward by the most powerful in favour of less powerful negotiators.

### **Some progress in Cancun**

Although the Cancun did not come up with a finalized Ministerial Declaration some progress can be detected in the negotiations during the week. These achievements should be kept in mind while negotiating in the future, either in the context of WTO or the bi- and plurilateral trade negotiations.

From the concepts elaborated in the **Development Box** in the Agreement on Agriculture it is important to state that the 2<sup>nd</sup> Ministerial Draft of September 13<sup>th</sup> shows elements of protection of developing countries under the Special and Differential Treatment paragraphs exclusively for developing countries:

- The mere statement on protection of developing countries favourable to *development, food security and livelihood security* on the chapters of domestic subsidies and market access recognizes the importance of agriculture as the only means of development for developing economies.
- A list of *Special Products* (SP), important for national food security, and *Special Safeguard Mechanisms* (SSM) are a step in the direction of protecting vulnerable producers by raising tariffs on imported low priced products on the world market, both caused by dumping practices due to export and domestic subsidies in the North
- The paragraphs on the *phasing out tariff escalation and of export subsidies* with different measures for the EU and the US, but with the same effects and with the same time frame, is a sound basis for further negotiations.
- The *Peace Clause* extension by X months, as proposed in the Second Ministerial, was not agreed upon and should not be. In the mean time in bi- and plurilateral negotiations the scope of the Peace Clause is/will be used as trade offs for market access by developing countries onto EU markets.
- The *Cotton Initiative* as proposed by the 4 African States was put on the WTO agenda, but within the Agreement on Agriculture and not under the chapter of Other Issues. After all it is a good example of the distorting and dumping effects of export subsidies on the production of cotton producers in developing countries.

### **Lessons learned**

In the aftermath of Cancun lots of reflection processes are going on. But have we really learned from them. Many analyses blame the other blocks for not having moved sufficiently, and no next move is to be made before the others have moved first: an excellent definition of an impasse. It is really pitiful though to hear the EU and the US blame the G21 and the G90 for the failure of Cancun.

Most crucial for the next few months is to get the multilateral political will going again. Bi- and plurilateral trade agreements are negative for developing countries in the “law of the jungle”. But who has the most power and influence to get multilateralism going again? There we should look at the most powerful, being the most responsible, that is the EU and the US together.

The activities of Civil Society Organisations (NGOs) were both loathed and praised. As APRODEV we value greatly the responsible attitude of our partners organisations from developing countries to follow-up on their own national governments in relation to its position in the WTO negotiations. We also notice that these NGOs are as different as NGOs in Europe and differ more and less with their own governments. No general comments therefore can be stated on behalf of “The NGOs”.

As APRODEV we will continue to influence the EU positions and policies related to trade and agriculture in WTO and other trade negotiations like p.e. ACP agreements. We also will continue to involve our partners from developing countries in accompanying trade negotiations at a national and international level with the aim of getting progress out of trade agreements improving or protecting those social and economic groups which depend on local markets for their livelihoods. Some civil society organisations even doubt if this can still be called a development round at all – if it ever was – stating it only puts sand in the eyes blinding them from reality.