

June 22, 2006

Ambassador Susan Schwab
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Ambassador Schwab,

We write to you as representatives of US development, religious, human rights, environmental and other civil-society organizations concerned about the potential impacts of the ongoing WTO talks on the lives and livelihoods of people in developing countries. We are dismayed at many of the current proposals being discussed as part of the so-called Doha Development Round and the US government's lack of flexibility in its approach to developing countries and the needs of their small farmers. We were alarmed at recent proposals to greatly restrict the designation of Special Products by developing countries.

Given that the agricultural sector is of fundamental importance to developing economies, we must carefully consider the impact of agricultural-related proposals under current consideration in the WTO talks. In low-income developing countries, an average of 68 percent of the population makes its living through farming, and even in middle-income developing countries, a quarter of the population depends on farming for their livelihood. In sub-Saharan Africa, small-holder farms, most of whom are women, comprise 73 percent of the rural population. Special attention must be given to the impact further market access commitments may have on small farms. If these considerations are not made central, the negotiations will fail to fulfill the spirit of the commitments made by the US and other WTO member nations in 2001 at Doha, Qatar to make this round of trade negotiations truly work for poor countries.

The G-33 group of developing countries has issued a set of proposals designed to allow developing nations to limit market access for essential goods in order to meet national development objectives. We welcomed the text of the Hong Kong Ministerial Declaration on this issue, which stated that,

Developing country Members will have the flexibility to self-designate an appropriate number of tariff lines as Special Products guided by indicators based on the criteria of food security, livelihood security and rural development. Developing country Members will also have the right to have recourse to a Special Safeguard Mechanism based on import quantity and price triggers, with precise arrangements to be further defined. Special Products and the Special Safeguard Mechanism shall be an integral part of the modalities and the outcome of negotiations in agriculture.

The G-33 has proposed that Members be allowed to designate up to 20% of tariff lines as Special Products. A recent report by the Sandra Polaski of the Carnegie Endowment for

International Peace found that all plausible scenarios currently under consideration at the WTO for agricultural trade liberalization would result in net losses to developing countries, particularly for very poor countries such as Bangladesh, East Africa and the rest of Sub-Saharan Africa. On the other hand, the econometric models used in this study predict that even if developing countries were to go well beyond the G-33 proposals to exclude 100% of their agricultural products from trade liberalization, the changes in benefits to other countries would be negligible.

We are deeply concerned about the recent proposal by the US government to restrict Special Products to just 5 tariff lines (out of an average of 2000 lines as notified by most WTO members). This proposal, if enacted, would essentially eliminate the “flexibility” agreed to in the Hong Kong declaration. In addition, it appears to have worsened the already strained relations among negotiators. The G-33, along with the Africa Group, the African, Caribbean and Pacific, and Least Developed Country Groups, which together represent the majority of members of the WTO, responded with a declaration reiterating their demands for Special Products and Special Safeguard Mechanisms and rejecting attempts to limit that flexibility.

We support a meaningful definition of Special Products, allowing developing countries to apply special import policies for crops cultivated by small-scale farmers. Low- and middle-income developing countries should be able to identify a number of products that meet this definition and partially or fully exempt them from any further reduction in tariffs or increases in quotas. In addition, a serious and effective Special Safeguard Mechanism should be available to developing countries to respond to import surges in products sensitive to small-scale farmers, whether it results from large volumes or low prices.

We call on you to reconsider USTR’s current approach to agricultural market access negotiations in the WTO. Developing countries governments must retain the ability to ensure their peoples’ food security, livelihood security and rural development.

Sincerely,

ActionAid International USA
Africa Faith and Justice Network
Church of the Brethren Witness/Washington Office
Church World Service
Columban Justice, Peace, and Integrity of Creation Office
Conference of Major Superiors of Men (CMSM)
Foreign Policy In Focus
Friends of the Earth – US
Global Exchange
Institute for Agriculture and Trade Policy
Kinetics-Faith in Motion, Inc.
Lutheran World Relief
Maryknoll Office for Global Concerns

Medical Mission Sisters Alliance for Justice
Mennonite Central Committee Washington Office
National Catholic Rural Life Conference
Oxfam America
Presbyterian Church U.S.A. Washington Office
Robert F. Kennedy Memorial Center for Human Rights
Rural Coalition/Coalición Rural
Sisters of Mercy of the Americas Institute Justice Team
United Church of Christ, Justice and Witness Ministries
United Methodist Church, General Board of Church and Society
Washington Office on Africa

cc: Members of Congressional Black Caucus
Members of Congressional Hispanic Caucus
Members of Congressional Human Rights Caucus
Members of House Hunger Caucus
Members of Senate Hunger Caucus