

Trade Negotiations: Their Relevance for Water, Sanitation and Sustainable Development.

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Negotiating scenarios

- **Multilateral:** World Trade Organization
- **Regional:** Free Trade Area of the Americas
- **Sub-Regional and Bilateral:**
 - Central America-U.S. FTA (2003-2004)
 - Chile-U.S. FTA (1994-2003)
 - NAFTA (1989-1993)
 - ACP-EU Economic Partnership Agreements (just starting)

Negotiating Objectives

Developed Countries

Services	<ul style="list-style-type: none"> • Faster liberalization • Constrained right to regulate in developing countries
Government Procurement	<ul style="list-style-type: none"> • WTO: negotiations on transparency • FTAA and CAFTA: faster liberalization for all contractual means, with limited exceptions
Trade and environment	<ul style="list-style-type: none"> • WTO: incorporation of MEAs, revision of rules, liberalization of environmental goods and services • FTAA and CAFTA: enforcement of existing laws and agreements, cooperation.

Negotiating Objectives

Developing Countries

Services	<ul style="list-style-type: none"> • Progressive liberalization • Market access for sectors of their interest • Preservation of their right to regulate
Government Procurement	<ul style="list-style-type: none"> • No negotiations in any scenario
Trade and environment	<ul style="list-style-type: none"> • Very little interest • Potential for WTO dispute settlement for cases of developed country non-compliance with existing MEAs

CAFTA Outcomes

Services	<ul style="list-style-type: none"> • National treatment “in like circumstances” • Transparency • Constrained right to regulate
Government procurement	<ul style="list-style-type: none"> • Coverage: measures with or without an option to buy, by any contractual means. • National treatment “in like circumstances” • Transparency • Constrained right to regulate tendering processes
Trade and environment	<ul style="list-style-type: none"> • Enforcement of existing national laws • Enforcement of existing international agreements • Cooperation to improve national laws

Possible FTAA Outcomes

Services	<ul style="list-style-type: none"> • “<i>Light</i>” FTAA, with a positive list approach and limited coverage, coexisting with a: • “<i>Deep</i>” FTAA, with coverage similar to the CAFTA
Government procurement	
Trade and environment	

Possible WTO Outcomes

Services	<ul style="list-style-type: none"> • Further developed country liberalization of environmental services related to water and sanitation • Limited developing country commitments
Government procurement	<ul style="list-style-type: none"> • After Cancún, Singapore issues (such as procurement) are off the table • Proliferation of bilateral and regional agreements include higher level disciplines.
Trade and environment	<ul style="list-style-type: none"> • Little progress, so far, due to the developed countries' perceived loss of enthusiasm

Relevance

For Water and Sanitation

CAFTA	<ul style="list-style-type: none"> • Rules have opened the market with limited exceptions
FTAA	<ul style="list-style-type: none"> • Only “deep” FTAA countries will be bound to grant access to their markets
WTO	<ul style="list-style-type: none"> • Limited impact due to timid progress of services negotiations.

Relevance

For sustainable development

CAFTA	<ul style="list-style-type: none"> • May reduce corruption, at least internally • May lead to less waste of financial resources • May increase penetration of water and sanitation, but at higher prices
FTAA	<ul style="list-style-type: none"> • Only “deep” FTAA countries will be bound to grant access to their markets
WTO	<ul style="list-style-type: none"> • Limited impact due to timid progress of trade in services and trade and environment negotiations.

Thank you

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