

International Commitments and Developments Since 1992 and their impact on Agenda 21 objectives and implementation

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ACRONYMS:

APEC:	Asia Pacific Economic Forum
COMESA:	Common Market of East and Southern Africa
CSD:	Commission on Sustainable Development
CSOs:	Civil Society Organizations
DAC:	Development Assistance Committee (OECD)
ECA:	Economic Commission for Africa
EU:	European Union
FDI:	Foreign Direct Investment
GATS:	General Agreement on Trade in Services
GATT:	General Agreement on Tariffs and Trade
GEF:	Global Environmental Facility
HDR:	Human Development Report (UNDP)
HIPCI:	Heavily Indebted Poor Countries Initiative
IBRD:	International Bank for Reconstruction and Development (World Bank)
IDA:	International Development Association
IEG:	International Environmental Governance
IMF:	International Monetary Fund
LDCs:	Least Developed Countries
MAI:	Multilateral Agreement on Investment
MNCs/TNCs:	Multinational Companies/Transnational Companies
NAFTA:	North American Free Trade Agreement
NGO:	Non-governmental organization
OUA:	Organization of African Unity
OECD:	Organization for Economic Cooperation and Development
PRSP:	Poverty Reduction Strategy Programme
SADC:	Southern Africa Development community
SAPs:	Structural Adjustment Programmes
TRIMS:	Trade-Related Investment Measures
TRIPS:	Trade-Related Aspects of Intellectual Property Rights
UNCTAD:	United Nations Conference on Trade and Development
WDR:	World Development Report (World Bank)
WSSD:	World Summit On Social Development
WTO:	World Trade Organization

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International Issues and Developments
and
their impact on Agenda 21 objectives and implementation

Dr. Hassan A. Abdel Ati

1. Introduction:

Rio Summit (1992) is accredited, in addition to its direct outputs of Agenda 21, the environmental declarations and conventions, for setting a modality that had and will continue to have its impact on both sustainable development and on the global civil society contribution and methods of work. Rio 1992 has significantly contributed to:

1. setting a precedent for other summits in dealing with the issue of sustainable development such as ICPD Population Conference (Cairo) 1994, WSSD (Copenhagen) 1995 and 2000, Fourth World Conference on Women (Beijing) 1995 and Habitat (Istanbul) 1996, all in a modality that allowed civil society to share in debates and presentation of popular views from around the world, though not yet real participation in decision making;
2. enhancing international cooperation;
3. injecting environmental issues (that were largely the concern of activists and environmental groups during the 1970s and 1980s) into the development and political agenda of the world community;
4. raising awareness and capacities of NGOs;
5. promoting global civil society cooperation and solidarity; and
6. facilitating dialogue and new mechanisms and instruments for international cooperation, including reviews such as that intended at Rio+10 Summit in Johannesburg (2002).

This part of the report deals with (a) the international commitments relating to Agenda 21 and its implementation, made towards developing countries during the Rio summit 1992 and those that followed and (b) the international developments that occurred after Rio Summit and are thought to influence agenda 21 implementation and the issue of sustainable development in general. This latter group includes issues such as the adoption of SAPs, globalization, the WTO, the debt crisis and the various initiatives relating to, or are believed to affect sustainable development.

The sections of agenda 21 covered by this part include:

- Chapter 2: International cooperation to accelerate Sustainable Development in Developing Countries
- Chapter 33: Financial Resources and Mechanisms (for implementing Agenda 21)
- Chapter 34: Transfer of Environmentally Sound Technology, Cooperation and Capacity Building
- Chapter 35: Sciences for Sustainable Development
- Chapter 37: National Mechanisms and International Cooperation for Capacity Building in Developing Countries.
- Chapter 38: International institutional arrangements
- Chapter 39: International Legal Instruments and Mechanisms.

In their totality, these chapters aimed at and carried the promise and/or commitment by developed countries to assist developing countries in the process of implementing Agenda 21 through:

- a. promoting sustainable development through trade basis i.e. an open, equitable secure, non-discriminatory and predictable multi-lateral trading system

- b.** providing adequate financial resources. These resources were to come from
1. Official Development Aid (ODA) (the 0.7% commitment)
 2. International Development Association (IDA) to be channeled through the Global Environmental Facility (GEF) under supervision of the World Bank, UNDP and UNEP.
 3. Debt Relief (HIPC Initiative)
 4. Private Funding (encouraging private sector and foreign direct investment FDI)
 5. Bilateral Assistance Programmes
 6. The total cost of agenda 21 was estimated to be 600 billion US dollars, including 125 billion on grants and concessional lending.
- c.** supporting the promotion, facilitation and financing of transfer of environmentally sound technologies, indigenous capacity building and establishing of collaborative networks of research and programmes of cooperation and assistance and strengthening scientific basis for sustainable development (long term assessment, understanding.. of climate change, bio-diversity)
- d.** securing institutional arrangements and mechanisms, including international laws and treaties, that would strengthen cooperation and interaction, enhance the role of the UN in the field of environment, ensure the review of agenda 21 and to improve developing countries abilities to plan and implement Agenda 21 through harmonization of assistance at regional levels (financial and technical cooperation). (Total cost was estimated to be between US\$ 300 - 1000 million).

A list of major global and regional environmental conventions and agreements and a list of some of the non-binding agreements is provided in Annex 1, showing also Sudan position with regard to acceptance and/or ratification. Sudan was one of the countries that signed and relatively quickly ratified the conventions that came out of Rio Summit on Climate Change and Biological Diversity – both ratified in 1994- and the one that soon followed on Combating Desertification (UNCCD), ratified in 1995. Supporting developing countries to implement these conventions, both financially and technically, was one of the country-specific global commitments made at Rio 1992. In Sudan, programmes on climate change and bio-diversity were implemented, the assessment of which will be covered by another part of this report. Mainly due to lack of information desegregated data at country level on the issues tackled in this section, in most of the examples and indicators used, Sudan will be included with Sub-Saharan Africa, Africa or the poor developing countries. This was also prompted by the conviction that (a) the environmental impact of most of the global developments is generally similar in most developing countries and (b) in relation to the civil society preparation for Rio 2002, most of the issues tackled require international action and solidarity more than national efforts to influence them and/or have any tangible impact on them.

It is important also to note the following:

- a. most of the information and statistical data used here has been acquired from external sources such as UN and World Bank reports or those of international civil society organizations such as Socialwatch, Friends of the Earth and Corpwatch, published on websites.
- b. although subsections and subtitles are used, most of the issues are crosscutting and have reciprocal effects, the thing that warrants taking the Agenda in their totality and as complementary to each other; and
- c. some of the negative impacts and failures of the international community referred to below may have been caused by the failure of national policies, especially in the area of legislation, promotion of research and networking and those issues are expected to be covered by other parts of the review report.

1.1 An Overview of the 1990s: a Decade of Despair:

The UNDP Human Development Report (2000)¹ listed following global facts.

1. About 5000 million small arms are in circulation around the world and civil wars have killed 5 million people during the 1990s and forced 50 million people to their homes and six million were injured (p.36).
2. There are 100 million children living or working on the streets (p.4) and 30,000 children die every day from mainly preventable causes (p.8).
3. Only one in five persons participate in a civil society organization and only 14% of women occupy parliamentary seats.
4. In 1998, the 48 least develop countries attracted US\$ 3 billion in foreign direct investment representing 0.4% of global FDI and accounted for 0.4% of global exports (p 82).
5. The combined wealth of the world richest 2000 persons in 1999 hit 1 trillion while the combined incomes of the 582 millions living in the 43 LDCs is 146 billion.
6. While 18 millions die every day year of communicable disease (p.35), it only costs an additional 80 billion to achieve universal provision of basic services (p.9)

2. Globalization:

"Globalization as practiced .. is a kind of apartheid were the benefits of the gainers is at the expense of the losses of losers" J. Somavia, ILO Director

Globalization will be recorded as the dominant theme of the 1999s, when the State started the retreat in the face of the powerful international economic forces. It represents a resurgence of *laissez faire* economic theory, with a changing pattern of world trade and finance and deregulation that carried different connotations for different people². For the advocates of globalization, build their conviction on the assumption that market deregulation will achieve optional outcomes for growth and human welfare. According to the World Bank *"over the last century, .. the forces of globalization have been among the factors that contributed to a huge improvement in human welfare, including raising millions out of poverty"*³.

The global trend on the ground, so far, challenges those assumptions as, worldwide, poverty, mass unemployment and inequality have grown alongside the expansion of trade. Within countries, economic growth has been accompanied by rising disparities in personal and regional incomes, diminishing social justice and worsening social services. The World Bank logic of "policies that are good for growth (i.e. SAPs) are also good for integration"⁴ has actually changed and recognizing the undeniable negative effects of globalization, without directly accusing the theory or process, the World Bank admits *"the forces of globalization have the potential for bringing benefits to the poor... but how strongly they do so, will depend artificially on factors such as the quality of macroeconomic policies, the working of institutions, social safety nets and the investments governments make in their people - in health education*

¹ UNDP Human Development Report (HDR) 2000, Oxford university Press

² Watkins, Kevin, Globalization and Liberalization: implications for poverty, distribution and inequality, UNDP/HRDO Occasional Papers, No 32, 1997

³ World Bank, 2001,7

⁴ World Bank, 1996

empowerment of women...etc ⁵. Such logic accuses governments collectively for failing to address the challenges of globalization (or to make it work), while it is obvious that “*no government can seek to maintain welfare state, pursue full employment or protect basic social rights in a global economy where capital is free to seek the largest profit margins*”⁶.

Observation and results of impact assessment research worldwide have pointed to the following as the meaning and repercussions of globalization:

a. challenging the monetary sovereignty of nations which is being eroded by vast goods and finance, as the “*central role of governments become, not to regulate the market but to facilitate the expansion by removing barriers to trade and investment*”⁷.

b. marginalizing poor countries and threatening the livelihood and welfare of vulnerable groups. This was started during 1980s when market liberalization was pursued under the auspices of IMF and World Bank and now continued under the WTO.

c. declining share in world trade of poor countries. The 48 least developed countries now account for less than 0.3% of world trade, half the ratio in the 1970s⁸, with the reinforcement of the North South divide and growing development gap.

d. leading to substantial growth in the flow of foreign direct investment (FDI) at the expense of trade in goods and services. While FDI in 1994, exceeding US\$ 220 billion, recorded a 400% increase over its level of 1981-85, the increase in the value of trade in goods and services did not exceed 50% over the same period. Also according to the World Bank (1994), during 1991-93 the world stock of FDI grew about twice as fast that of world exports and all statistics show the rising share of trade in the GDP, particularly in the industrial and East Asian countries⁹. Imbalance in FDI flow can be indicated by the fact the FDI to the 48 LDCs in 1993 was US\$ 800 million, equal to that received by Brazil alone and less than 1% of total FDI¹⁰. (WNCTAD, 1995).

e. consolidating the North-South trade and economic divide as opposed to the globalization promise of integration and wealth sharing, with inequalities yet widening further. Developed countries with 20% of the world population, account for 75-80% of foreign investment, world GDP and Exports. The G7 alone account for 50% of the World trade flows, i.e. globalization has enhanced concentration of power. In contrast, GDP has fallen in 44 countries between 1985-95 with Sub-Sahara Africa having the lowest and fastest declining ratio¹¹. According to UNCTAD (1996), the 48 LDCs suffered a steady decline in their share of world trade thus in 1993 recording 0.4% share of world exports i.e. half their share in 1980. This explains why the poorest fifth of the world population income declined from 4.5% in 1960 to 3.6% of total at present Manufacturing trade share of Sub-Saharan Africa dropped from 0.6% to 0.3% in the 1990s and UNIDO's projections indicate the continuity of the trend in the 21st century.

f. the emergence of regionalism and trade growing. By 1995, about 100 preferential trade arrangements were reported to GATT. While regionalism in the early 1990s was perceived as a

⁵ World Bank, July 2001

⁶ Watkins, op. cit. p. 2

⁷ See Ghai and Alcantara, 1994

⁸ Watkins, op. cit. p.3

⁹ Ibid. p. 4

¹⁰ UNCTAD, 1995

¹¹ World Bank, 1996. In East Asia, however 1990-93 recorded a per capita income increase 3 times the average of the developing world and 7 times that of Sub-Saharan Africa.

threat to multilateral trading systems, the emergence of the Single European market (as a fortress Europe) and the pessimism about the prospects of the Uruguay Round gave impetus to trade groupings committed to regional and bilateral liberalization (i.e. selective protectionism). Examples include Asia Pacific Economic Forum (APEC) 1993, North American Free trade Agreement (NAFTA) 1994, the Central American Common Market (CACM), the Caribbean Community (CARICOM), Common Market of Eastern and Southern Africa (COMESA) and Southern Africa Development Community (SADC). However, the Multilateral Investment Code of WTO together with the 10-20% tariff levels agreed under the Uruguay Round for developing countries, leave little scope for the success of any regional initiatives of poor countries (e.g. COMESA) to enhance their competitiveness in the globalized market

g. while globalization is seen as a door for developing countries to new opportunities, wider markets, private capital inflow, access to technology and greater efficiency (outward looking), opportunities are not equally distributed among countries nor among people. For example, Sub-Saharan Africa ratio of trade to GDP is lower than it was twenty years ago with a reduction of (about 60 billion dollars per annum) over 15 years, equals around 3 times the ODA received by Africa countries¹².

h. an increasing shift of power from nation States and Organizations such as the UN to the powerful economic groups (G7) and financial and trade organizations such as the OECD, World Bank, IMF, Bretton Woods Institute and the WTO. In fact, the UN power and resources, in all its specialized agencies, except for the Security Council which is controlled by the main players of the G7, has been extensively eroded through manipulation of resources. The new partnerships now the UN is building with multinational companies is also expected to further erode the UN powers and is likely to have negative environmental repercussions.

i. in addition to unequal distribution of power and wealth, globalization is applied by the powerful with double standards. For example: (a) there is much talk about transparency and democratization but not applied at global decision level which remain concentrated in the G7, OECD, and WTO..etc.. (b) while industrial countries patent their technologies and refuse to share it, the practice bio-piracy and close their doors on labor from developing countries; (c) agreements such as TRIPS will raise prices of medicine, prevent technology transfer and facilitate bio-piracy¹³

For developing countries to successfully participate in a global economy, in addition to access to finance, markets, infrastructure and technology (*all referred to in agenda 21 as commitments by developed countries or concessions to developing countries*), certain policy-related conditions are important.

1. *Sensible policies*. While blanket protectionism, over valued exchange rates, excessive taxation and over regulations proved disastrous in most African countries, selective and time-bound protection and investment control is critically important as indicated by the success of the East Asian model.

2. *Avoiding big bangs*. The social costs of across-the-board liberalization (like that applied in Sudan) is too high compared to economic returns as imports tend to increase rapidly while exports decline. One option is selective interventions in response to market failures and longer periods for adjustment programmes. Big bangs, however, under the present situation, is often caused by factors beyond national borders. Most important in the 1990s was the free flow of

¹² Watkins, 1997 op. cit. p. 9

¹³ Martin Khor, UN and Globalization, Corwatch papers, May 22, 2001, Corwatch website

capital that caused the East Asian crisis. This prompted International NGOs, led by ATTAC (France) to call for the introduction of a "*Tobin Tax*" on all cross-boarder financial transactions. The Tobin Tax is believed help in: (a) avoiding money laundering; (b) checking capital flight and capital-drying of poor countries; (c) availing resources for basis services and (d) generating employment within poor countries. It is important also that capital flight is usually accompanied by drain and poor countries' subsidies to the rich.

3. Developing of *diversified export import control and investment regulations* geared to raise production and expand employment and competitiveness in world market; and
4. Skill up grading¹⁴.

The risks posed by globalization, particularly for developing countries, were well anticipated in the early 1990s in the various discussion papers and civil society hearings organized by the United Nations. Inequalities in access to credit, technology, productive inputs and services, both at national and global levels, were some of the risks pointed out. Three other important predictions were made on the risks of: (a) concentration of global power and decision making in a small number of rich countries; (b) the possibility of repressive regimes using the opportunity, or be used to channel income generated from growth to particular groups of population to entrench power structure and restrain civil society liberties and freedom; and (c) in the absence of alternative mechanisms for raising resources, UN funding will be left irregular, unpredictable and not progressive¹⁵. Yet, it seems that the UN incapacity in the face of economic and donor powers, impeded it from any serious move to reverse the negative trends of globalization.

For civil society to contribute to the reduction of the immediate negative impacts of globalization, it should push for:

- a. democratizing global institutions and introducing new systems for their governance with greater degree of transparency.
- b. empowering the UN but also reforming it in order to bring back the authority of decisions on global issues from the G7 and financial institutions to the General Assembly and to democratize governance¹⁶.

In conclusion, to quote the UNDP's Human Development Report (1999) titled Globalization with a Human Face, globalization (a) driven by competitive global market, is outpacing the governance of markets and repercussions on people; (b) is squeezing incentive and harming the environment; (c) is increasing human insecurity as the spread of global crime, disease and financial volatility outpaces to tackle them; and (d) markets (.. if unchecked) can go too far and squeeze the non-markets activities that are vital for human development.

The Report recommends:

1. Reforming global governance to ensure greater equity
2. New regional approaches to collective action and negotiation
3. National and local policies to capture opportunities in the global market place and translate them into more equitably into human advance¹⁷.

¹⁴ See for example Watkins (1997) op. cit.

¹⁵ See for example Keith Griffin and Rahman Khan, Globalization and the Developing World: an essay on the international dimension of development in the post-cold war era, UNDP, Occasional Paper no 2, February 1992

¹⁶ Martin Khor, 2001, op. cit.

¹⁷ UNDP, Human Development Report, 1999

3. World Trade Organization (WTO)¹⁸:

"While trade is a necessary part of many people's livelihoods, it can also drive environmental destruction, deplete natural resources and result in the inequitable distribution of wealth and power. The challenge in the next WTO round will be to define rules that ensure that trade and trade liberalization broadly benefit people and the planet, and support sustainable development." (Worldwide Fund for Nature (WWF), 1999)¹⁹

3.1 Background:

World Trade Organization (WTO) is viewed as the most powerful and influential institution in the 21st century. It is rapidly assuming the role of global government as 134 member nations two thirds are developing countries, (and another 32 queuing up to join) have ceded to its vast authority and powers. The rules it passes and the sanctions it can authorize are binding on its members. The attraction of the WTO has grown as more and more countries have liberalized their economies in the hope of sharing in the benefits of expanding world trade. It represents the predominance of the principle that commercial interests supersedes all others (IFG, 1999)

The WTO is not an offspring of the 1990s but a culmination of a long process that dates back to the *laissez faire* era of the 19th century. As an institution, set up in January 1995, the WTO is the successor to the General Agreement on Tariffs and Trade (GATT). Its roots were bred in 1944 when the Allied leaders at the Bretton Woods Conference planned to establish three institutions: the International Monetary Fund (IMF) to stabilize exchange rates and balance of payments, the International Bank for Reconstruction and Development (IBRD/ World Bank); and a trade organization to create a stable system for trade. Trading was to be on the basis of shared rules and regulations to avoid the uncontrolled competition and protectionism which was thought to have contributed to the global recession of the 1930s and the Second World War. Because, in the area of trade the leaders were not ready to cede sovereignty to an organization, GATT was established as an ad hoc and provisional organization and the full-fledged organization (WTO) came 50 years later. The main functions of the WTO are: (a) administering World trade agreements; (b) acting as a forum for trade negotiations; (c) handling trade disputes and (d) reviewing trade policies.

3.2 Key Facts:

- 134 countries are members of WTO, accounting for over 90 per cent of world trade and 32 others applied to join.
- Global trade has grown 12-fold since the setting up of the first trade body in 1948, but the least developed countries, with 10% of the world's people, have only 0.3% of world trade – half the share they had in the 1970s²⁰.
- the EU continues to spend US\$ 600 billion (seven per cent of its gross domestic product) on various trade protections and subsidies²¹.
- Transnational corporations control 70% of world trade and 80% of all foreign investment.
- One third of developing countries (GATT members) earn most of their foreign exchange from agriculture, and a fifth or more from textiles and clothing, products that still face high barriers in industrialized countries.
- A fifth of world trade is made up of services (transport, banking and telecommunications).

¹⁸ This section is based heavily on the excellent report by María Elena Hurtado "*MORE POWER TO THE WORLD TRADE ORGANIZATION? The international trade controversy*", Panos Briefing No 37, November 1999

¹⁹ Sustainable Trade for a Living Planet: Reforming the World Trade Organization, WWF (September 1999)

²⁰ Human Development Report 1997 United Nations Development Programme (Oxford University Press, Oxford and New York, 1997), p. 9

²¹ Study from the Institute for International Economics, quoted in The Economist, London, June 1999

- The Uruguay Round was expected to increase world trade by between US\$ 200 - 500 billion in the first decade, but around 70% of the benefits will go to industrialized countries and Sub-Saharan Africa is expected to lose around US\$ 1.2 billion a year from freer trade.
- In March 1997, an agreement was signed to eliminate import duties and other charges on information technology products. So far the first 40 signatory countries control about 92% of the market in information technology products.
- The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) is mainly for the benefit of large companies in industrialized countries, which hold 96% of all patents.
- According to WTO statistics, from 1985 to 1996 Africa's share in the value of world exports went down from 4.2% to 2.3%²². The sliding back of Africa, Latin America and the Middle East was partly due to the sharp fall in commodity prices (including oil) in the 1990s, that were 45% lower than the 1980s.

3.3 Basic Differences between GATT and WTO:

a. While GATT focused mainly on regulating tariffs (custom duties) and trade in manufactured goods, the WTO covers also tariffs in services (transport, travel, banking and insurance) and trade in ideas (intellectual property).

b. Decisions in the WTO are made by the entire membership, when possible by consensus. Where there is no consensus a majority vote is taken in the General Council, made up of ambassadors and heads of delegations in Geneva and at the Ministerial Conference, which meets at least every two years²³. The WTO Dispute Settlement procedure is much stronger than GATT. Whereas in GATT consensus was required at every stage of a dispute process (*in practice meant stalemate*), in the WTO the dispute process goes ahead unless there is a consensus not to do so. The same applies to appeals against the verdict of a dispute panel.

c. Becoming a WTO member is also a much lengthy process (largely political). Algeria and China set up their Working Parties to oversee accession negotiations with existing WTO members as far back as 1987 and are yet to join.

3.4 Some Views on the Freer Trade:

United Nations Development Programme:

"The Uruguay Round Agreements and the establishment of the WTO were proclaimed as a means of enhancing the creation of global wealth and prosperity and promoting the well-being of all people in member states. In reality, the WTO has contributed to the concentration of wealth in the hands of the rich few; increasing poverty for the majority of the world's population; and unsustainable patterns of production and consumption." UNDP, Human Development Report, 1998)

- Average tariffs on industrial country imports from developing countries are 10 per cent higher and for the least developed countries 30 per cent higher than the global average. Developing countries lose about US\$ 60 billion a year from agricultural subsidies in the industrial nations and from the barriers they face on exports of textiles and clothing.²⁴ Even after the Uruguay Round's agreement on textiles and clothing is implemented, the average tariff will go down to 12 per cent – three times the average levied on industrial country imports²⁵. UNDP, Human Development Report, 1997)

²² Communication from Egypt to the WTO's High Level Symposium on Trade and Development', 19 March 1999

²³ Under the Ministerial Conference and the General Council are three councils – on Goods, Services and Intellectual Property – and numerous specialized committees and working groups, all made up of government representatives. These councils and committees are assisted in their work by the Geneva-based WTO Secretariat, which has around 500 staff but since decisions are taken by members themselves, the Secretariat does not have the decision-making role that other international bureaucracies have (WTO in Brief, WTO website: www.wto.org)

²⁴ UNDP, Human Development Report 1997, p9

²⁵ Ibid, p86

UNCTAD:

*"The predicted gains to developing countries from the Uruguay Round have proved to be exaggerated... Income and welfare gaps between and within countries have widened further. the world economy is deeply divided and unstable... Asymmetries and biases in the global system against the poor and underprivileged persist unchecked".*²⁶

The World Bank:

It acknowledges this popular feeling against the WTO:

*"The lack of attention given to the social consequences of reform has threatened a backlash against trade, which has the potential to stall momentum toward reform."*²⁷

3.5 Civil Society and the WTO:

While business has been a driving force during successive trade rounds, civil society groups such as NGOs have had little information and little say. Information about and access to GATT processes and the WTO have been limited, and most governments do not consult NGOs.

The high secrecy of WTO (including the agendas of meetings) hampered the involvement of civil society during the Uruguay Round. In the last few years the civil society groups have campaigned for more openness and transparency in the WTO and, informally, the pressure has yielded some results: NGOs can attend Ministerial Conferences, though they are still excluded from the meetings where the real business takes place. The WTO informal symposia with NGOs on trade and the environment have become an annual event and some NGOs have developed good working relations with WTO staff. At the country level, some (mainly Northern) NGOs have succeeded in getting some sectors of government to consult them, but in most countries NGOs do not have access, resources or the preparation needed to engage in what are highly technical issues.

While some NGOs are lobbying for more or less formal access to the WTO, others are trying to make their views heard through petitions, protests and demonstrations in the streets. For the last three years the EU has been pushing for a Millennium Round of trade negotiations (*planned in Doha, Qatar, November 2001*). Developing countries are divided but a good number of them and civil society organizations opposed the new round until there has been a comprehensive review of existing agreements and have started campaigning against the new round (1,200 organizations from 87 countries, October 1999) and in March 2001 (Social Watch, website, 24/3/2001)²⁸. The protests at the Geneva Ministerial (May 1998), the WTO's Third Ministerial Conference in Seattle, USA, (1999), Economic Summit in Davos, Switzerland 2000 and the G7 meeting in Genoa, Italy (2001) all indicate the level of CSOs opposition and the significance of their solidarity in the face of the ill effects of globalization²⁹

Some critics of the world trade system feel that the power of developing countries to promote their interests has been further weakened by a reduction in the power and status and a change in

²⁶ UNCTAD, Trade and Development Report 1999 (United Nations, New York and Geneva, 1999) ppl -2

²⁷ Entering the 21st Century: World Development Report 1999/2000 (World Bank, Washington DC, September 1999)

²⁸ Some 60 large international NGOs from the South and North involved in development, poverty, environment and human rights issues, expressed to the Director-General of WTO their objection and opposition to proposals to launch a "comprehensive New Round" in the WTO in 2001. In particular, they were strongly opposed to the introduction of new issues such as investment rules, competition policy rules and government procurement in the WTO, which they believe are not trade issues and are not appropriate for the WTO to handle and that these issues, if located in the WTO, would lead to disastrous consequences socially, environmentally, economically and for human rights, for people worldwide. (*Joint NGO Statement issued in Geneva, March 19, 2001*)

²⁹ The Arab NGOs Network for Development (ANND) in collaboration with Northern NGOs is planning another one in Doha, Qatar

focus of UNCTAD (established in the 1960s to work for the trade interests of developing countries). In the early 1990s its autonomy and its position within the UN system were downgraded as part of a streamlining exercise – leaving developing countries more vulnerable, according to these critics, to the economic dominance of the richer countries³⁰.

3.6 Handicaps for the Developing Countries in WTO Negotiations:

The exchange of trade commitments favors bigger traders as they have more to offer, have more resources to put into the negotiations and their negotiating power is much greater. In contrast, the position of many developing countries (30 WTO members, including 19 in Africa), do not have permanent trade missions in Geneva. Also, since many developing countries are dependent on the USA, the EU or Japan for technical cooperation, markets, aid and other matters, they tend to shy away from confronting them at the WTO and these key players determine the agenda.

With respect to the technical matters of devising trade rules and regulations, Rege, an ex-GATT official, looking at the problems faced by developing countries in two GATT agreements, found a number of reasons why developing countries are at a disadvantage³¹, including:

1. Industrialized countries bring issues to the WTO after much preparatory work (ministerial contacts and consultations, including the OECD, which acts as a think tank for the industrialized countries.
2. Developing countries lack the technical expertise and resources needed to study the issues and come up with good negotiating approaches, whereas industrialized countries have various interest groups which through lobbying assist and influence governments in determining policy, for developing countries these either do not exist or are not very effective.
3. Negotiators from developing countries do not know the precise implications for their economies and their trade of the proposals that are under discussion. Such uncertainty often makes them adopt negotiating strategies to contain the damage (eg. asking for a grace period) ...rather than negotiate for the maximization of the benefits of their trade.
4. Negotiations are often carried out informally in small groups, restricted to a limited number of delegations. The countries invited to join are those with the largest stakes and the greatest technical knowledge.

3.7 Important WTO Agreements:

- General Agreement on Trade in Services (GATS)
- Agreement on Sanitary and Phytosanitary Measures (SPS)
- Agreement on Technical Barriers to Trade
- Agreement on Anti-Dumping
- Agreement on Trade-Related Investment Measures (TRIMs)
- Agreement on Agriculture
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)

Example 1: Agreement on Agriculture:

Farming is the most protected area of the world economy. This explains why the introduction of agriculture into GATT was controversial as for many people in many developed and developing countries, the concept of 'food security' meant and still means that countries should aspire to

³⁰ Cf, South Centre Geneva "The United Nations at a Critical Crossroads: Time for the South to Act", August 1993); Chakravarthi Raghavan 'Broad support for a revitalized UNCTAD', South-North Development Monitor, (SUNS), 20 September 99, on website of Third World Network, www.twinside.org.sg/souths/twn/

³¹ Vinod Rege (1998) 'Developing countries and negotiations in the WTO', the Third World Network website

produce enough food from their own resources and stock up for hard times. In addition, agriculture provides livelihoods for over half the population in many developing countries. Countries support the agricultural sector in three main ways: (a) by restricting imports; (b) by giving subsidies to producers and (c) by subsidizing exports

Opening agriculture to competition from major industrialized country producers will push out of production many small producers and less developed or less competitive agricultural sectors. Thanks to its Common Agricultural Policy (CAP) the European Union went from being a sugar cane importer to a major sugar beet exporter, gravely damaging developing country exporters of sugar. The same is true of exports of EU beef to West Africa. The champions of the inclusion of agriculture in the Uruguay Round, were the Cairns Group (major agricultural exporters) and the USA. Both wanted to sell more agricultural products to the EU and Japan³².

The Uruguay Round agreement on agriculture touched all three areas of protection.

1. It opened the markets by making protection more transparent.
2. Subsidies governments give directly to farmers were reduced by 20% for industrialized countries and 13.3% for developing countries). Subsidies, such as technical support to farming, were excluded from the cut on the grounds that they did not distort trade.
3. Most welcomed by developing countries was the agreement to reduce the money spent on subsidizing exports by 36% over six years in industrialized countries and by 24% over 10 years in developing countries. However, the hoped-for reductions in domestic and export subsidies have not materialized. A declaration by European and African farmer organizations and development NGOs issued in Germany in 1996 concluded that the 1994 GATT agreement It failed to reduce dumping, did not make agricultural trade more fair and it ignored many Southern concerns³³.

The reasons why the Agreement on Agriculture failed to price open the markets of industrialized countries include:

1. Many industrialized country raised tariffs on import quotas (Some tariffs reach 1,000%)
2. In reducing the new converted tariffs by 36%, they concentrated on tariffs that were already low and reduced only slightly the tariffs on products of importance to them, such as sugar, meat and milk.
3. Agriculture in the industrialized countries continues to be heavily subsidized, whereas developing countries are unable to subsidize their farmers to any significant degree – partly because still-permitted subsidies require more administrative resources than most developing countries have.
4. The principle upon which the free trade approach to agriculture is based assumes that it is desirable for a country to import food if it is cheap compared to its own. That principle "*may be valid for most of the developed countries which have enough foreign exchange all the time to import whatever they want but most of the developing countries are short of foreign exchange most of the time... Such countries may consider it wise to grow their own food as far as possible, even if it is more costly than the food available in other countries*"³⁴

Example 2: Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs):

³² The Cairns Group consists of Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Indonesia, Malaysia, New Zealand, Paraguay, The Philippines, South Africa, Thailand and Uruguay.

³³ Food dumping: A declaration by Farmers and NGOs', Krefeld, Germany, 1996

³⁴ A statement by Bhagirath Lal Das, former Indian Ambassador to GATT, at a Third World Network Seminar on The WTO and Developing Countries', 10-11 September 1996, (Third World Network's website: www.twinside.org)

This is one of the controversial issues of Uruguay Round agreements. TRIPs extends exclusive rights over products and processes to individuals or companies, through systems such as patents or copyrights. Previously, intellectual property rights (IPRs) were dealt with only by the World Intellectual Property Organization (WIPO), which does not have the WTO's mechanism for imposing sanctions on offenders.

The TRIPs Agreement is in the interests of large companies engaged in research and development – 96% of all patents are held in industrialized countries. It is problematic for developing countries, which do little original research and depend on importing technology. Most of them do not provide such a high level of intellectual protection as industrialized countries. This explains why the USA was the advocate of TRIPs in the Uruguay Round and why developing countries did not want it. TRIPs Agreement also gives a company the right to hold a patent for a minimum of 20 years and for copyright the minimum protection is 50 years³⁵.

a. TRIPs and Agriculture

The TRIPs Agreement obliges all WTO member countries to extend intellectual property rights to cover plant varieties. Developing countries were given five years to introduce IPR systems – that is, until the year 2000; the least developed countries were given 10 years.

For plant variety protection, countries can fulfil their obligations under TRIPs by passing their own laws or by signing up to the International Convention for the Protection of New Varieties of Plants (UPOV), the mechanism used by industrialized countries since 1961 to give plant breeders rights – very similar to patent rights – over new varieties of plants. The USA, in collaboration with WIPO, has been pressing developing countries to sign a 1991 version of UPOV. One feature of the system which has caused particular concern among developing country farmers is the ban on saving seed from a protected variety to replant the following year. This is likely to affect increasing numbers of farmers if more of them move to using patented commercial varieties of seed – as the agricultural corporations are urging them to do. (525 US farmers who had already been prosecuted by the US company Monsanto in 1999 for saving or re-using genetically engineered seeds)³⁶.

Another problem area is biotechnology patents. The TRIPs Agreement obliges countries to extend intellectual property protection to "non-biological" and "micro-biological" processes for the production of plants and animals. This includes genetic engineering, the genetically modified organisms (GMOs) which are the product of it, and genes. In what is popularly known as 'biopiracy', Northern companies are claiming patents on genetic materials and knowledge which originate in developing countries. The TRIPs Agreement will oblige the developing countries to recognize – and pay the cost of – such patents, while it does nothing to encourage a more equitable system in which the countries or communities might obtain a share of the profits. This is one of the areas in which the WTO appears to conflict with an international environmental agreement, the Convention on Biodiversity, and there is heated controversy over which should have priority.

b. TRIPs and Pharmaceuticals

Developing countries that have a national pharmaceutical industry have had the ground cut from under their feet by the TRIPs Agreement. Many of them only grant patents for the process by which a product is made, rather than for the product. This has allowed them to circumvent patents by producing the drug in a slightly different way from that used by the transnational

³⁵ IOCU, "Unpacking the GATT: A Step by Step Guide to the Uruguay Round", London, 1994, p14

³⁶ "The Observer Monsanto Saw Secret EU Documents", (London), 21 February 1999

company which holds the patent. This has been the foundation of the pharmaceutical industry in countries such as India, Brazil and Argentina. But the TRIPs Agreement now forces them to patent both the processes and the products, and to pay a patent fee even if the product is manufactured by a different route.

Developing countries were given 10 years to introduce patents for technologies they did not protect previously, but agro-chemical companies can apply for a patent immediately. A group of developing countries want the TRIPs Agreement reviewed so that domestic producers are compulsorily licensed to manufacture and market patented drugs, particularly those in the World Health Organization's list of essential drugs, when these are being sold at unreasonably high prices (e.g. South Africa AIDS drugs case 2000).

3.8 WTO and the Environment: opposing views and interests:

A few agreements combining environment criteria and trade rules exist such as CITES (Convention on International Trade in Endangered Species) and Montreal Protocol on Substances that Deplete the Ozone Layer. Both of these are accepted by the WTO as legitimate constraints on trade. There are also the exemption of environmental programmes from cuts in subsidies and permission to refuse issuing a patent that risks serious damage to the environment.

Yet, reconciling environmental protection with open trade still remains a problem for the WTO system, with the opposing positions of industrialized countries and some environmentalists on one side against free traders and developing country governments on the other. The environmentalists blame trade for causing environmental harm, for instance by forcing producers to focus on low prices to the exclusion of other considerations such as clean production, and they see a conflict between environmental and trade rules. Free traders and developing country governments worry that the environment may become a new source of protectionism.

Industrialized countries want the environment to have a stronger role in trade talks (the G7, Cologne, Germany, June 1999). Developing countries are less enthusiastic and some oppose negotiating it e.g. Ministers from the G15 say "The environment is a non-trade issue and all legitimate concerns can be accommodated with the existing WTO provisions." (G17, Bangalore, India, in August 1999)³⁷

Some environmentalists want 'greening' of international trade rules and procedures so that they do not interfere with environmental treaties nor undermine domestic environmental standards. Free traders counter that if the markets are working properly and adequate environmental regulations are in place, there is no reason why trade should damage the environment.

Developing countries fear that environmental regulations will impair their access to rich country markets. They also resent the fact that those industrialized countries that paid scant attention to the environment when developing themselves should now be telling poorer countries how to manage their natural resources. Developing countries also worry that the cost of environmental protection will slow down their economic growth.

The WTO Committee on Trade and Environment has a 10-point agenda. The most important issue on it is whether the Multilateral Environmental Agreements (MEAs) such as the Montreal Protocol on the ozone layer take precedence over the WTO. Some MEAs impose trade sanctions on members who fail to honour the agreement.

³⁷ The G17 members include Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Kenya, Malaysia, Mexico, Nigeria, Peru, Senegal, Sri Lanka, Venezuela and Zimbabwe

In conclusion, the directly expected negative impacts of WTO agreements include:

1. TRIPs agreement is expected to raise the prices of medicines, prevent technology transfer and facilitate bio-piracy, all in contrast to Rio objectives and sustainable development
2. the agricultural agreement threatens food security and rural livelihoods. This prompted the call by CSOs for the exclusion of products for local consumption from the agreement's obligations³⁸
3. Genetically modified crops allowed for under the agreement, though positively contribute to food security, they lead to loss of bio-diversity, raise health risks of adaptation, endanger the ecosystem through the greater reliance on chemicals and there are no guarantees on its results in the future³⁹

The experts and officials' meeting organized by AOU and ECA in Addis Ababa (June 2001) on WTO, concluded that African countries are not in a position to launch negotiations on issues such as investment, transparency in government procurement, trade facilitation, e-commerce and environment. The main justifications given included that (a) these are outside WTO competence; (b) they add more obligations; (c) they lack clarity and (d) they would not benefit African countries.

3.9 Sudan and the WTO:

Sudan government decided to join the WTO in 1994 (Decision No 596, dated 2/10/1994). The application submitted was described as weak and Sudan gained the observer status. It pays a contribution and benefits from WTO technical support (mainly WTO documents and briefings), attendance of meetings, participation in workshops, seminars and training. In 1997 a 60-member National Committee, representing ministries, institutions and parastatals, was formed under the Ministry of Trade. Following the passing of the committee's report, a permanent committee was formed chaired by the Vice President for the follow up of the joining process⁴⁰. At the public level, announcements by officials regarding the government position vis-à-vis the WTO and globalization are very much contradictory.

4. The Structural Adjustment Programme (SAPs)⁴¹:

The dominance of SAPs in the early 1990s (started in the 1980s) effectively marked the rolling of the globalization process, fostered mainly by the World Bank and the IMF. With the increasing scale of poverty, environmental degradation and social unrest, by 1995 the World Bank accepted the NGOs' challenge to assess, jointly with civil society organizations, the impact of SAPs in what was known as SAPRI process (Structural Adjustment Programme Review Initiative). Results of the Survey from four continents pointed to following:

1. Labor market reforms have undermined workers rights, security and incomes
2. Declining local demand, coupled with policies of import liberalization and tight credit, contributed to the destruction of small scale productive sector, loss of jobs and capital flight
3. Privatization of public utilities made affordable services unavailable to poor and working people.

³⁸ See martin Khor United Nations and Globalization, Corpwatch publications, Corpwatch Website

³⁹ Panos "Greed or Need: genetically modified crops", Panos Discussion Papers, No 30, October 1998.

⁴⁰ Strategic Studies Centre, Sudan Strategic Report 1998, Khartoum, pp 246-251 (in Arabic)

⁴¹ This section is based on SAPRIN Secretariat "Structural Adjustment Review: A civil society perspective "1998, Social Watch publication pp. 62-67 (SAPRIN: *Structural Adjustment Participatory Review International Network, is a global network launched 1997 with over 1200 civil society organizations membership.*)

4. Public expenditure reform and cost recovery requirements put health care and education out of reach for the poor.
5. For many developing countries, liberalization of trade did not promote economic growth because of tariff and non-tariff barriers (that made world markets inaccessible) in addition to the loss of preferential treatment under the WTO rules.
6. Poor institutional capacity weakens developing countries' negotiating position as opposed to their powerful trading partners.
7. Multi-national companies play one country against the other by seeking locations with weak or no trade unions and low labor costs i.e. governments offer worse labor condition to attract investment

Although the World Bank participated in the evaluation, it down played the significance of its results. Instead, it introduced its PRSP initiative (Poverty Reduction Strategy Programme), which is being adopted by some of the United Nations agencies, under the banner of popular participation while ignoring their inputs in SAPs.

In fact, some believe that PRSP is a prescription in the face of popular opposition of shifting the responsibility of liberalization harms from national government and international monetary institutions to people who are considered as partners under the PRSP. The PRSP initiative has also been viewed as⁴²:

1. a means of shifting power from government of low income countries to the IMF and World Bank as it widens their influence i.e. from influencing certain macro-economic variables (devaluation, subsidies .etc) to the level of endorsing the entire country's strategy including social and political dimensions (which were historically UN domains);
2. a tool for "manufacturing consent" for the Washington consensus, promulgated by SAPs, despite their two decades of negative impact on poor nations. It is a mean of imposing policies on governments, oftenly against the wish and cries f their citizens and for democratic governments against their election promises;
3. a way of expanding the influence of international financial institutions (IFIs) over micro-economic policies of poor countries and eroding their sovereignty. (For example these are 160 conditions attached to Ghana interim PRSP);
4. the conditionalities attached to PRSP and the secrecy of those conditions deny citizens the ability to compare their inputs under SAPs and SAPs actual output to them;
5. a major cause of the widening gap between rich and poor countries;
6. a means of promoting production and distribution patterns that contribute to poverty creation and environmental problems: and
7. are reinforcing the old donor-driven system that tend to hijack national and budget planning process of borrowing countries.

5. Paying for the Environment: Aid and Debt Relief for Developing Countries

5.1 Introduction:

The Provision of aid (ODA, IDA), debt relief and technical support were the three main commitments made by rich countries in Rio-summit (1992) to help developing, particularly poor, countries implement Agenda 21 commitments and those of the conventions passed by the summit. For most of the developing countries, these commitments represent the engine for starting the process of implementation and the failure on the part of the developed countries to fulfill their commitments, provide some excuse for not doing enough on the environment. This

⁴² Charles Aburge and Rudoff Amenga. Etego (Ghana) International Financial Cooperation for Development, Civil Society Hearings, New York, 6-7 Nov. 2000, pp. 4-6

makes it essential to review the issues of debt and aid, in particular, in the process of reviewing the 1992 Summit output in Johannesburg (2002). Due to lack of information on Sudan specific, we will look into these issues for the poor countries as a whole with a focus on Sub-Saharan African countries.

5.2 Aid: the 0.7% Commitment:

The UN General Assembly back in 1970, set the level of 0.7% of rich countries GDP as the target for the size of aid going to developing countries as a means to boost development, prevent environmental disaster and civil unrest (*the 0.7% commitment*). The commitment was strongly reaffirmed in Rio-1992 Summit, among other thing, as a major source of financing the implementation of Agenda 21.

The OECD Development Assistance Committee (DAC) report of 2000 shows that there is now less aid going to developing countries⁴³. Instead of the 0.7% commitment, to total aid from the 23 OECD member countries, dropped from 0.24% in 1998 to 0.22% in 1999, the lowest since 1950, a drop of 1.6% of total OECD aid. According to DAC report 2000,

- Only 5 of the countries achieved the 0.7% target, namely Denmark (1.6%), the Netherlands (0.82%), Sweden (0.82%), Norway (0.8%) and Luxemburg (0.7%), and no other OECD member exceeded 0.39%.
- While the G7 aid fell by 4.8% (exceptional fall was Japan 2.3 billion), aid from non G7 DAC countries rose by 8.3%, accounting for 26% of total DAC ODA.
- Scandinavian countries exceeded the 0.7% target, while USA and Japan ranked bottom in aid provision, standing at 0.12% and 0.2% of GDP respectively⁴⁴.
- Only 25.1% of aid reached the 48 least developed countries⁴⁵.
- While 21 African countries (of the 48 LDCs) experienced cuts in aid (by 17 OECD donors), Eastern Europe enjoyed a 10% increase in aid.
- The overall net result was a drop in capital net flows by 6%, loss of 100 billion to poor countries and a fall in ODA share from North to South from 41.4% in 1991 to 20.7% in 1998, which makes a significant shift from official to private capital flows⁴⁶. The drop in aid was attributed to (a) the drop of most OECD countries' currencies against the US dollar; (b) the change in ODA illegibility list of recipients; and (c) domestic budget deficits. However, in spite of the rich countries' excuses for withholding aid, there is a high popular support for aid in these countries according to opinion polls (e.g. 87% in EU, 80% in Japan). This also indicates the impact of civil society organizations' solidarity.

According to the World Bank (2001)⁴⁷, ODA for Africa fell from 17.9 billion (the highest in the continent history) in 1990 to 10.8 billions in 1999. Accordingly, average ODA per capita fell from US\$ 38 in 1990 to US\$ 19 in 1998 (**Fig. 1**). ODA flows to Sudan dropped from US\$ 800 million in 1989 to US\$ 225 million in 1994, an ODA per capita fall from US\$ 23 to US\$ 8 over the same period⁴⁸. The World Bank attributes the drop in ODA to Africa to regional and civil wars, mismanagement (poor governance) and the rise in oil prices and other "serious external shocks". In addition to the drop down trend of AID, it was also very selective in distribution.

⁴³ OECD, DAC Report quoted in Eurostep Website Briefings, 27/4/2001

⁴⁴ For US this means US\$ 5 per capita out of a per capita income of over US\$ 36000 per annum.

⁴⁵ EuroStep, "The Reality of Aid 1997/98" Report, October, 1999

⁴⁶ Jen Martens "Overcoming the Crisis of ODA", A statement to the UN - Financing for Development -Civil Society Hearings, November, 2000, New York

⁴⁷ World Bank, Africa Development Indicators, 2001,

⁴⁸ UNDP, Human Development Reports, 1990 and 1997

The justifications for the drop in aid whether from the donor or recipients' side are debatable as we will see in the selectivity in the distribution of lending and FDI below. It also needs to be noted that the change in ODA illegibility conditions which includes controversial measure such as sensible governance, reasonable policies, reasonable progress...etc., opens the way for value judgment by technicians and beaurucrats and for political rather than professional motivation of decisions. Also, in response to the drop or to make up for it, donors opted to:

- a. put emphasis on the quality instead of the quantity of assistance (i.e. political focus be more on the output rather than input of development cooperation which totally preempts the international targets (e.g. 0.7%) and commitments such as halving the people under line by 2015;
- b. many reacting to the reduction by selectivity and concentration on certain countries, oftenly based on criteria to do more with political conduct than level of need, resulting on classifying countries into *model* and *excluded* countries; and
- c. many donors tried to balance drop in ODA by putting resources into private-public partnerships. Although this may be good for small and medium sized enterprises to increase technology transfer and improve environmental standards, they usually neglect the areas of social services that are not profitable and in many cases leads to aid tying⁴⁹.

The UN Civil Society Hearings on FFD to address the problems of ODA, concluded by calling for⁵⁰:

1. *a global development partnership agreement* to serve as a social contract between North and South along the EU-ACP lines, linking internationally agreed development targets to the binding commitments of rich countries to provide resources;
2. *a reliable resources transfer from rich to poor countries*. New agreements are need to guarantee a predictable and sufficient transfer of resources defined at a level compatible with the defined development indicators aimed at creating a new global safety net⁵¹;
3. *a need-based target for ODA*. The GDP based 0.7% target as criteria for donors (supply side) need to be matched by other indicators from the demand side to make aid dependent on real need;
4. *non-repayable grants* and the need to depart from the "development on credit" approach. Even with favorable low interest and long grace periods, loans need to be paid even when they are spent on social services such as health and education, that are critical for development; and
5. *strengthening the economic role of the United Nations* which is a truly multilateral and participatory system for managing development as its charter states its central role in guiding global macro economic policies. This will bring back its powers lost to the G7, World Bank, IMF and WTO.

5.3 Lending: *development on credit*:

International Development Association (IDA) is the lending arm of the World Bank. Funds available for lending are fixed by donor countries and the IDA allocates to borrowers according to available funds. Currently 78 countries are eligible for IDA funding. Eligibility criteria include (a) relative poverty, measured by GNP per capita, (b) lack of credit worthiness to borrow on market terms, and (c) good policy performance (ie the implementation policies that promote growth).

Lately, the World Bank attributed financial crisis and poverty to lack of good governance, corruption and absence of legal systems that protect human and property rights⁵². According, the

⁴⁹ Jen Martens op. cit., p.2

⁵⁰ Ibid. pp. 3-4

⁵¹ Keith Griffin and Terry Mckinley (1999), ODS, UNDP.

Bank started to put more emphasis on strengthening governance and reforming public institutions. From 2000 onward, the Bank also increased its non-lending services⁵³. Looking into actual figure we notice:

1. the huge gap between commitments and disbursement which raises the questions of predictability and stability of policies for borrowers. For example while commitment to Africa was 47% of total IDA in 2000, Africa's share in actual disbursement was 36%⁵⁴;
2. the downward trend in IDA loan size, from an average of US\$ 93.1 million in 1990 to US\$ 69 million in 2000;
3. that crisis borrowers (Argentina, Korea, Russia and Thailand) received the highest proportion;
4. although IDA 12th agreement gives Sub-Saharan Africa top priority, the "performance" condition reduced the inflow and concentrated it in a few countries. Africa is the only continent where IDA lending commitment in 1998 was lower than 1995 (**Table 1, Fig. 2,3**) representing 11% of total, down 16.2% 1995. Of the 32 eligible African countries, 10 received over 75% of funding⁵⁵ (Sudan not included) and 7 of them also benefited from the HIPC initiative;

Table 1: IDA Lending Commitments for investment Projects (US\$ millions)

Region	1990-92	1994	1995	1996	1997	1998
Africa	540	381	745	584	155	687
East Asia	222	190	449	381	304	116
South Asia	778	453	682	902	692	1587
Latin America & Caribbean	138	98	212	412	167	282
All other countries	2815	3473	2512	2906	2356	3482
All Countries	4493	4595	4600	5185	3674	6154

Source: World Bank International Development Association, WB website, 28/7/98

5. the marked increase from 1996 onwards of IDA support to social sector investment projects (from 0.7 in 1988 to 1.6 billion in 1998) which implies a recognition by the World Bank of the negative social impact of SAPs as devised by the Bank and/or implemented by countries;
6. the criteria used for eligibility puts the decision solely in the hands of technicians and made the policy criteria more influential than, for example, the relative poverty of the country as indicated by the 20 indicators used; and
7. although Sudan is included in the agreement, it did not benefit from it and largely does not meet the governance criterion for illegibility.

6. The Debt Crisis:

Total debt stock of developing countries in 1998 amounted to 2.465 billion dollars, 9.2% of which on Sub-Saharan Africa (**Table 2**).

According to the ECA (1998) total African debt was 348 billion in 1997, a rise of 15.7% of its level in 1993 (**Table 3**). African debt represented 67.5% of GDP in 1997 and about 3 times the value of total exports. Debt servicing, on the other hand, amounted to over 20% of export value (Fig 4.a-d)⁵⁶. It is estimated that for every dollar Africa received in 1996, it paid US\$ 1.31 back in

⁵² James D. Wolfensohn, World Bank Director addressing World Bank Board of Governors, 28/9/1999.

⁵³ World Bank Annual Report, 2000, March 2001.

⁵⁴ IDA, IDA's Lending Commitment, Disbursement and Funding in FY 2000, IDA Report 2001, pp. 3 & 7.

⁵⁵ World Bank, Africa Development Indicators, 2001

⁵⁶ ECA, Africa Economic Reports, Addis Ababa, 1998, 7.

debt services⁵⁷, that diverting resources from productive investment as well as vital social services and putting more pressure on the environment as a source for foreign exchange to pay debts. For example 33 African countries classified as Heavily Indebted and Poor (HIPC) experienced forest loss 50% greater than forest loss in non HIPC African countries⁵⁸.

Table 2: Total Debt Stock of Some Developing Regions (US\$ billion), 1980-1998

	1980	1991	1992	1993	1994	1995	1996	1997	1998*
Developing countries	610	1561	1635	1799	1994	2163	2238	2317	2465
Sub-Saharan Africa	61	184	183	195	220	234	230	220	226
East Asia and Pacific	94	333	358	398	485	560	607	655	698
Latin America & Caribbean	257	492	509	554	593	648	669	704	736
North Africa & Middle East	64	187	188	193	208	211	204	193	206
South Asia	38	136	143	148	162	157	156	155	165

Sources: World Bank, Global Development Finance (Washington) (*1998 Preliminary Report)

Table 3: African External Debt and Debt Related Statistics

	1993	1994	1995	1996	1997
Total debt (US\$ millions)	301.7	312.2	329.0	340.6	349.0
As percentage of GDP	65.4	66.3	68.0	67.8	67.5
As a percentage of exports	345.6	302.1	304.9	293.4	283.9
Debt service (US\$ billions)	37.7	38.3	32.9	31.0	33.0
As percentage of exports	28.3	25.8	30.5	29.3	21.3

Sources ECA: Africa Economic Reports (Addis Ababa, 1998), 7; Table 1.7

6.1 The HIPC Initiative:

The Heavily Indebted Poor Countries' Initiative (HIPCI) was launched by the IMF and World Bank in 1996 as an effort to eliminate unsustainable debt of the World poorest indebted countries. In 1999 the initiative was broadened by increasing the number of eligible countries, raising the amount each country will receive and speeding up delivery under the so-called Enhanced Framework (EF)⁵⁹. Under the EF, the World Bank is providing US\$ 11 billion in debt relief to 32 HIPC (IDA eligible) countries and US\$ 10 billion on IDA debt, mainly through forgiveness of 50% or more of debt service. EF also links relief to poverty reduction and calls on countries to establish and implement a "comprehensive and participatory poverty reduction strategy (PRSP)" as an integral part of the illegibility process.

The following need to be noted with regard to the initiative:

- It presented a dichotomy as forgiveness of debt service is allowed only at the time when it is due for payment (i.e. it is there), which requires the re-structuring of the economy that in turn can not be realized without ODA or debt relief;
- The total debt of 41 HIPC countries rose from US\$ 80 billion in 1980 to US\$ 215 billion in 1995⁶⁰;
- linking the initiative to IDA conditionality, and particularly, poverty strategy (PRSP), denies many countries the benefits as the strategy is supposed to be implemented by the country (requiring resources) and not the Bank. At the September 2000 meeting of IMF and World Bank Governors in Prague, only 10 out of the 41 HIPC countries, actually qualified for debt reduction⁶¹; and

⁵⁷ Jubilee 2000 Coalition Africa profile, Quoted in Friends of the Earth, the Burden of Debt: the environment and of the world Forests, 1997.

⁵⁸ FAO, State of the World Forests, 1997

⁵⁹ IMF, Debt Relief under the HIPC Initiative; a fact sheet, IMF.org Website.

⁶⁰ Overseas Development Council "Poor Countries Debt Relief", ODC View point, April 1998

⁶¹ UN Africa Recovery, vol 14, No 4 p.1 website

d. one notes the use of poverty reduction by the World Bank as opposed to poverty eradication of the UN literature and the UN now joining in the efforts of the PRSP which represents a U-turn in the UN policy towards poverty.

6.2 Sudan Position:

a. Sudan is not included in the 32 illegible HIPC countries
 b. by linking the initiative to PRSP and IDA illegibility conditions, Sudan loses on three fronts. First it has not implemented an strategy to reduce poverty, though some plans are being worked out. Second the conditions of popular participation and governance can not be achieved under a pluralistic regime. And third, is the ongoing civil war. According to one UN report, Sudan, together with Rwanda and Liberia, will be "considered" to benefit from Canada's 725 million contribution to the principles of peaceful development and good governance⁶²

6.3 Sudan Debt and Debt service:

The Total debt stock of Sudan was, according to World Bank, US\$ 23,700 million by the end of 1999, a rise of 77.4% its level in 1989 and arise of 5.5% its level in the previous year (1998). More outstanding was the huge rise in the debt service which doubled 12 times over twenty years, from some US\$ 117 million in 1979 to a massive US\$ 1,369 million in 1998⁶³ (**Fig. 5**).

As for the debt composition, bilateral and private creditors together constitute 81.2% compared to 12.9% for the IBRD, IMF and IDA combined (**Fig. 6**). These figures indicate that the inflow of ODA, FDI is mostly from the South (Middle East and Asia). It also confirms the view that the tough implementation of SAPs package by Sudan Government (currency devaluation, lifting of subsidies, privatization, withdrawl of support to social services) and legislation to stimulate foreign investment and the pursuit of joining the WTO, were not rewarded in the form of ODA or FDI, particularly from the West. In fact grants to from USA, Germany, UK Italy and Holland are at their lowest level in history⁶⁴.

The absence of ODA and shortage of FDI for investment in the productive sector, also contributed to the outflow of capital and savings (in the form of imports) at a far greater rate than the inflow generated from exports (**Fig. 7**). The net result was the continued negative balance of GDP account (**Fig. 8**).

7. The 20/20 Initiative⁶⁵:

The initiative was adopted by the World Summit on Social Development (WSSD) in March 1995. It represents a mutual contract whereby 20% of donors' ODA and 20% of recipient country's public expenditure will be used for social services⁶⁶. It is aimed at reorienting international development cooperation to support basic social investment in developing countries and encouraging restructuring public expenditure in favour of social services. The overall objective was to mobilize resources needed at the country level to achieve the internationally accepted social goals.

These social goals were set, and made commitments to, in all the World Summits and were

⁶² United Nations, Africa Recovery, vol, 14, no 4. p.2

⁶³ World Bank, "Sudan in a glance" 8/21/2000

⁶⁴ See Ali Abdalla Ali op. cit. annex 5

⁶⁵Based on Caroline Wildeman "20/20 is the Spring Board", SocialWatch publications, 1999

⁶⁶The 20/20% was arrived at when UNDP (1991) HDR recommended governments to direct 50% of their social expenditure to human priorities (education, health, safe water .etc). Assuming expenditure is 40% of public expenditure, half is 20% A gender perspective was added to the initiative at Beijing Women Conference (1995).

particularly highlighted in Agenda 21 and deemed critical for sustainable development. The importance of the initiatives stems from the fact that all international gatherings since Rio (1992) have systematically affirmed the objectives of poverty eradication and priority of investment in human resources development. Yet, although the principle was universally agreed, the process of implementation has not yet been worked out. Current estimates by NGOs for national budgets and ODA expenditure on social services worldwide is 13/10%⁶⁷.

The strengths of the 20/20% initiative, lacking in other commitments, are its specific and timely goals, the concrete costs needed and the partnership that does not compromise the recipient's right to decide on local priorities.

Despite its strength, the initiative, did not work for many countries. The reasons include:

1. the timing was inappropriate as it coincided with the universalization of SAPs and liberalization policies that withdrew national expenditure mainly from the social sector.
2. its dependence on ODA, makes it subject to political relations, inequitable in distribution and less compatible with needs.
3. lack of coordination and complementarity of international commitments, despite of the unity of objectives and the fixed key players, make several Summits' commitments empty promises.

Yet the initiative is still much needed, feasible, time and resource specific and critical in the context of sustainable development. Civil society organizations need to bring it back to the forefront of the WSSD Agenda.

8. Private Foreign Investment (FDI): *the implications for the environment:*

While the 1990s witnessed a marked fall in ODA flows to developing countries, it also witnessed a relatively large increase in FDI flows. Total FDI flows rose from about 50 billion in 1990 to US\$ 234 billions in 1999, four times the size of total aid. Yet, the distribution of FDI is very skewed as only 12 countries received 70% of total FDI in 1997/98, and of the 48 Least Developed Countries, the top 10 FDI recipients accounted for 79% of total FDI inflow. It is also important to note that most of the FDI inflow to developing countries, originate from the South (Hong Kong, China, Taiwan, South Korea, Malaysia and Singapore) and which accounted for over 80% of FDI during the 1990-1994 period.

Sub-Saharan Africa during the 1990s attracted some 15.8 billion dollars in FDI flows but was heavily concentrated in 10 countries. Of the US\$ 2.52 billion FDI flows in 1998, 66.3% went to Angola, Lesotho and Nigeria, 22.9% to Congo, Cote' Di Ivoire, Equatorial Guinea, Namibia and Sudan, and the remaining 40 countries competed for the remaining 10%⁶⁸. FDI also rarely goes into the sectors where it is most needed (health, education, water or environmental protection)⁶⁹.

In a review by the OECD Development Assistance Committee (DAC), it concluded that “*..the trend of increasing private flows on the one hand and declining aid, on the other, casts shadow*

⁶⁷ It needs to be noted that Sudan was not party to the 1996 Oslo meeting that marked the beginning of implementation. Generally national expenditure on social services is going down and contribution of ODA to social services is negligible

⁶⁸ Friends of the Earth, "Dubious Development: how the World Bank private arm is failing the poor and the Environment.

⁶⁹ Eurostep, "The Reality of aid 1997/98" Report, April 2001, EuroStep Website

on the credibility of a development partnership". The committee called on OECD countries to pursue their international commitments to social development, gender, housing, food, population and the environment⁷⁰.

According to Ann Pettifor (1999) short-term flows (a characteristic of FDI) to developing countries, proved destabilizing and led to outflow of capital. Also in the absence of savings and reduction in aid, the impact of openness in developing countries would undermine local markets, worsen trade deficits and damage the environment⁷¹.

A growing body of literature in the 1990s has pointed to the risks and actual practices harmful to the environment, attached to greater freedom and power for private investment, particularly to transnational companies (TNCs) For example⁷²:

- WTO panel ruling that a law protecting endangered sea turtles posed an illegal barrier to trade and its threat to sanction countries upholding that law which is a part of an environmental treaty (Kyoto Treaty on Climate Change).
- WTO claims that clean air regulations designed to reduce gasoline emissions hurt foreign gas producers.
- WTO attacked EU proposal to reduce electronic pollution.
- WTO pressure poor countries to abandon efforts to make essential medication affordable through generic drugs.
- The International Chamber of Commerce (ICC) opposed Kyoto Protocol on Climate Change, the Basel Convention and the Convention on Bio-diversity and described them as "trade-disruptive" and the ICC is the main advocate of TRIPS⁷³.
- The UN sub-commission on the Promotion and Protection of Human Rights Report on Globalization called the WTO (and TNCs) a "nightmare" for developing countries and called for WTO to be brought under the UN preview. The sub-commission (1999) decided to draft a code of conduct on "Corporations and Human Rights" which was approved in August 2000. The US opposed linking human rights and corporations and called for the entire elimination of the sub-commission⁷⁴.

8.1 Global Compact and the Corporatization of the UN:

Despite their poor environmental track record, the UN, particularly the Secretary General, is pushing hard to promote the UN partnership with transnational companies. Believing that TNCs are the success story of the 20th century⁷⁵, the UN Secretary General launched Global Compact in Davos (Switzerland) in January 1999. The UN new partners include the ICC and several TNCs such as Shell, Dow, Rio Tinto, City Bank...etc, as partners to UNEP, UNHCR, and ILO agencies. Promoting the UN partnership with the private sector aims (on the face of it) to get the support of the private sector to the UN goals but, in return, it implies throwing UN support behind the market ideology. The real motive for pushing market liberalization, it seems, was to ensure the TNCs' support and convince the US Congress to release funding overdue to the UN.

⁷⁰ OECD, Shaping the 21st Century, Cited in Eurostep, op.cit.

⁷¹ 10% of East Asia GNP flew out in panic during the 1997-1998 financial crisis period. See Ann Pettifor, "Globalization and Extremism: a call for a moderate approach", Jubilee 2000, pp 96-97

⁷² Lori Wallach and Michelle Sforza: Whose Trade Organization: Corporate Globalization and the Erosion of Democracy, Global Trade Watch, pp 30,31,108,119

⁷³ Corpwatch: UN and TNCs, Track Facts, Nov. 1999

⁷⁴ Ibid, p.4

⁷⁵ Kofi Annan: address in Davos (Switzerland), 31/1/1999

In a letter to the UN Secretary general, 19 International Civil Society organizations from all continents expressed their reservations on Global Compact and pointed to the following:

- As a voluntary body Global Compact lacks monitoring and enforcement provisions, while TNCs makes use of the UN flag and image.
- Global Compact is based on the false assumption of a global consensus that open markets are the primary force for development and that social values are part and parcel of the globalization process and both are not universal views.
- International corporations are not accountable for their behavior and the 9 principles, upon which Global Compact is based, are not binding. In fact the ICC, a major partner in Global Compact, declared that their participation requires the absence of any monitoring or enforcement of their adherence to Compact Principles.

On this basis, those NGOs concluded that Global Compacts is a bad deal for the UN and citizens' movements and called on the UN to suspend its activities⁷⁶.

8.2 FDI in Sudan:

According to the World Bank (2000) total FDI flows into Sudan reached US\$ 371 million in 1998⁷⁷, showing the continuity of the upward trend that started in the mid 1990s, especially after the discovery of oil. In terms of the number of foreign investors, however, the peak was in 1996 and the trend started to return to its very low levels of the early 1990s (**Fig. 10**). Of the total number of foreign investments between 1990 and 1999, 61.4% are concentrated in Khartoum state, 21.6% in the Red Sea and about 8% in the old Central State, with the rest of Sudan sharing the remaining 10%⁷⁸ (**Fig. 11**). The main sectors where FDI was directed were Transport (39%), agriculture (26%) and industry (22%) (**Fig.12**). As for the origin of FDI inflow, it was primarily from Arab countries. (68%), Asia 14% and the Middle East 5.3% whereas Europe and Africa respectively accounted for 1.3% and 0.7% of total FDI flows (**Fig. 13, Fig. 14**).

What can be read from this picture include:

1. The liberalization of the national market did not bring the promised inflow capital, especially from the West.
2. The FDI flows, as indicated by their present distribution will contribute to increase regional disparities.
- 3 FDI did not contribute to the service sector.
4. The present pattern of flow confirms the observation by the International Civil Society organizations that the South to South and South to North FDI flow is ascending while the North to South flow is descending.
5. With the Africa's share of under 1 % of FDI flows, the value of the African groupings such as the COMESA, becomes more political than economic.

9. International Mechanisms for Sustainable Development:

In February 2001, the Governing Council of UNEP adopted a decision (No. 21/21) titled *Global Environmental Governance* as a part of the review process for the WSSD in Johannesburg 2002. Some 56 civil society organizations participated in the debate and made some important observations and suggestions regarding the current mechanisms (institutions) and methods used

⁷⁶ NGOs letter to Kofi Annan, dated 20/6/2000, cited in Corpwatch, UN and TNC, Op. Cit.

⁷⁷ World Bank, Sudan at a glance, Aug.2000, WB Wetsite

⁷⁸ Source: Ali Abdalla Ali "Foreign Direct Investment in Sudan 1990-1999", Financials Investment Bank, Aug. 2000, Annexes

for implementing Rio (1992) declarations and commitments⁷⁹. In what follows we throw some light on those views, which we believe are both relevant and appropriate, and discuss the performance of the Global Environmental Facility (GEF), the main body entrusted with funding the implementation of Rio commitment, as an example for the performance of the global environmental institutions.

Civil society organizations' representatives, in summary made the following observations:

1. UNEP authority is weakened by the headquartering of multi-lateral agreements in different parts of the world;
2. most agreements have inadequate or no compliance mechanisms;
3. UNEP authority is weakened by the headquartering of multi-lateral agreements in different parts of the world;
4. most agreements have inadequate or no compliance mechanisms;
5. civil Society is neither involved in negotiation nor in compliance process (which weakens its role at the national levels, especially in developing countries);
6. competitive funding among UN agencies and duplication of effort e.g. UNEP, CSD create obstacles to compliance;
7. debt relief as a mechanism for funding implementation is not effective and needs to be reviewed;
8. some international agreements represent obstacles to compliance and enforcement and are, sometimes, conflictive and contradictory to sustainable development objectives. For example most WTO agreements and resolutions tend to favour economic interests rather than environmental concerns;
9. while for LDCs, the threat of withholding aid can present an enforcement mechanism, that does not apply to developed countries and in fact the same weapon could be used against poor LDCs to preempt environmental commitments;
10. the rulings of the WTO are undermining the implementation of sustainable development agreements. For instance the WTO's Committee on Environment and Trade has been inclined to look at the negative impact of sustainable development agreements on trade rather than the negative impact of trade on sustainable development; and
11. globalization has significantly weakened the ability of countries to protect themselves against external shocks.

The basic conclusion is that the main cause of International Environmental Governance (IEG) is top-down approach so far adopted in pursuing the implementation of environmental commitments. Instead of formalizing the role of civil society and making it a two-way process, decisions usually go down from international bodies to governments, the thing that denies it political support at national levels. The role of civil society is largely considered an add-on, mostly consultative and temporary in nature⁸⁰.

International environmental governance (IEG)' focus should primarily deal with (a) form (appropriate intergovernmental roles and capabilities), (b) relationships (between state and civil society), (c) legitimacy and effectiveness of governance (monitoring change compliance and violations) and how to improve them, and (d) capacitating willing but unable and poor states to fulfil its commitments.

⁷⁹See UNEP, Consultative Meeting on International Environmental Governance, June 2001, UNEP Website pp-1-8.

⁸⁰*One European activist described the how the role of CSOs diminishes after international gatherings, as that of Drackuola, after a hyper active period they go to their coffins.*

To enhance legitimacy and effectiveness of governance, the most important recommendations made at the UNEP consultative meeting on IEG were:

1. there is a need to consolidate existing institutions and not building new ones, but restructuring and/or reorganization is important to avoid duplication of efforts and compartmentalization of the integrated issues and problems of sustainable development (*this also applies to national governments*).
2. Debt relief needs to be re-studied to avail resources to implement programmes to protect the environment.
3. Building social basis for environmental action by involving civil society, maintaining greater transparency, establishing global and policy networks and focussing on incremental agenda.

9.1 Global Environmental Facility (GEF):

GEF was established by the World Bank in order to protect the global environment and promote sustainable development. It is based on interagency arrangements between UNEP, UNDP and the World Bank. GEF is the main channel of financing environmental programmes.

GEF focal areas of funding are Climate Change, Biological Diversity, International Waters and Ozone Layer Depletion, in addition to other issues related to Agenda 21 agreed by GEF Council to have global environmental benefit⁸¹.

Total GEF projects' allocation between 1991 and 2000 amounted to US\$ 3,210.56 million. Disbursement, however, during the ten year period was about 35% of allocation. During these 10 years, GEF budget was progressively increasing and by the year 2000 it was 12.3 times its level in 1991⁸².

As shown in **Table 4** below, about 90% of GEF budget is allocated to climate change, biodiversity and international Waters programmes but in actual disbursement these programmes, respectively, received 32%, 34% and 40% of their allocated budget. It is also noticeable that areas with small allocations (the multiple focal areas and Ozone Layer) had larger percentages of allocation, though none of the five areas received 50% of its allocation.

Table 4: GEF projects Allocation and Disbursement

Area	Allocation %	Disbursement %	Disbursement as % of Allocation
Biodiversity	41.0	39.4	33.8
Climate change	34.5	32.1	31.6
International Waters	13.8	15.7	39.6
Multiple focal areas	4.5	5.8	44.8
Ozone Layer	5.2	7.8	47.1
Total	100	100	34.9

The global distribution of GEF allocations and actual disbursement by region is shown in (**Fig. 15**). Africa countries with 13.4% of total allocation, received 10.3% of actual disbursement. It is important to note that global projects are more heavily concentrated in development countries.

When global projects are excluded, out of the 145 countries that benefit from GEF funding, the share of the 48 African countries is 20.5% of allocation and 16.4% in actual disbursement, compared to overall disbursement rate of 33.1%.

⁸¹GEF-Website.

⁸²These and all following figures are taken from GEF Annual Report 2000, April 2001.

Sudan allocation of GEF funding was US\$ 3.77 million but actual disbursement was 1.85 million (49.1% of allocation), far higher than Africa average (33%). Sudan allocation amounts to 0.12% of the GEF total budget is 0.12% and 0.17% when global projects are excluded. Sudan share also represent 0.82% of total allocation for Africa and 1.53% of actual disbursement.

Looking into these figures it can be said that:

1. In actual disbursement, GEF funding is much skewed in the global projects towards the North
2. Irrespective of its rating, based on area or population size, the allocation and disbursement for Africa seem not to be compatible with its problems of poverty, natural hazards, resource depletion rates and its debt burden compared to other regions of the world

However, for a more accurate assessment of the mechanisms and their effectiveness, there is a need for a break down of budgets between logistics and administration and the portion that goes actually into the business of sustainable development and the timing and frequency of delivery.

9.2 Remarks and Comments:

1. Obviously neither allocation nor actual disbursement automatically imply success or progress in addressing environmental problems or those of sustainable development. Actual allocation and expenditure in each country need to be looked into. This raises the issue of compliance mechanisms at the international level as well as responsible governance at the national level.
2. Neither the allocation criteria nor the low rates of disbursement were explained or justified in GEF reports⁸³. In fact in the consultative meeting referred to earlier, some civil society representatives accused GEF for excessive secrecy. This raises the issue of transparency at both global level and in the negotiation process at the national level and with GEF.
3. With the present system of allocation and disbursement, one is led to believe that decisions are taken more on political feasibility (acceptance of donors) rather than actual need-based rationale⁸⁴. This makes civil societies pay twice the price of being controlled by irresponsible governments, again raising the issue of governance and accountability
4. In Africa, issues of land, water, energy and forestry need to be key areas in GEF funding rather than being left to the organization's bureaucrats' consideration.
5. All the above issues need to be coordinated with other CBOs in the region and worldwide, to bring them to the attention of the WSSD Summit, the thing that requires strong coordination well ahead of the Summit.

10. Conclusion:

The current global situation is one dominated by free trade principles and commercialization of even social services and UN practices. The global power of decision making has been considerably shifting from the UN system (as well as national governments) towards strong

⁸³Some justification in the case of projects implemented in Sudan could be the delay in funding and / or formulation or submission of proposals. GEF funded projects of Biodiversity and Climate change started after 1997.

⁸⁴The case of Dinder National Park in Sudan provides an example. The actual need submitted was about US\$ 4 million but the negotiation was on what is politically feasible "given the special situation and image of Sudan" which was 1.25 million, 31% of actual need.

financial powers and organizations (G7, WTO, World Bank ..etc..) and the private sector, particularly the transnational companies. The predominance of the commercial and profit motive principles and the consequent practices of corrupt trading practices such as speculative trade, safe havens (Open seas trade of drugs, arms, money laundering) and direct investment in environmental and social degradation (oil, gas, mining, coal-fired power projects, agri-business ..etc..) are all not compatible with the objectives of sustainable development.

At the international level, to reverse those negative trends and to ensure compliance of Developed Countries with their commitments relating to sustainable development (finance and technology transfer), the Sudanese civil society need to support the current international civil society movement's calls for:

1. Re-empowering the UN to enable it:
 - One. maintain greater control over private capital and safeguard compliance with sustainable development objectives;
 - Two. maintain monitoring and follow up of nation states' fulfillment of their commitments relating to Agenda 21 and other environmental conventions and agreements; and
 - Three. ensure greater transparency and participation by World Community and democratic practice in global decision making process i.e. within the General Assembly rather than the great financial powers and institutions
2. Greater involvement of civil society organizations to improve environmental governance at both the national and international levels and ensure continuous monitoring of compliance with agreements and Conventions
3. Reducing or halting the negative environmental impacts of commercialization and private capital movement by:
 - One. introducing accountability to the international lending and borrowing system and restraining secretive dealings in order to reduce corruption and restore justice
 - Two. restraining speculative trading and sudden capital movements to avoid shocks, particularly for poor economies, by introducing a "Tobin Tax" on financial transactions' turn over
 - Three. ensuring that WTO and other trade organizations' agreements and rulings are compatible with international environmental conventions and agreements and with the objectives of sustainable development
4. Pushing for the implementation of the global initiatives aimed at combating poverty, arresting environmental degradation and enhancing access to social services. Chief among these are the HIPC, the 0.7 commitment and the 20/20 initiatives as key sources for funding sustainable development in poor countries

However, realizing sustainable development as well as compliance with Agenda 21 agreements, in all aspects, other than finance and technology transfer, largely depends on national will and efforts. The Sudanese national context, when the Rio Summit (1992) was hold, was characterized by:

- One. dissolution of all civil society organizations except for NGOs that were working under very strict state control;
- Two. expanding civil war and the consequent displacement of about 20% of the country's population;
- Three. political and diplomatic isolation and to large extent an undeclared trade embargo; and
- Four. a rigid implementation of SAPs measures, resulting, among other things, in large scale unemployment, economic hardships, deepening poverty and social instability.

That context obviously had its implications on the form and substance of participation in Rio (1992), on the specific output of Rio affecting Sudan and, later, on its compliance with international decisions that came out of Rio relating to sustainable development. For example:

1. In the absence of civil society movement, the participation in Rio was largely official. Although some NGOs' representatives were there it was largely individual, isolated and uncoordinated effort. This denied Sudanese CSOs from exchanging experience and information and learning from other CSOs, and that in turn handicapped it from pursuing government compliance afterwards
2. The international political isolation and sore and/or antagonistic relations with neighboring countries, on the one hand, denied Sudan the critically needed resources for the implementation of Agenda 21 (ODA, FDI and debt relief) from the international community and, on the other, prevented cross-boarder cooperation in addressing environmental issues, largely paralyzing regional organization such as IGADD.

Although some efforts were already in place when Rio was held (both national and regional) which reflect the concern about environmental problems such as DECARP for example, Rio Summit was still a turning point as highlighted in the drive to rehabilitate the degraded environment, reduce poverty, meet the social needs of segments of population, transfer of environmentally sound technologies and to address the global issues of compliance with Agenda 21 to that of aid and debt relief.

The 1990s in Sudan witnessed the establishment of the High Council for Environment and Natural Resources and a Ministry for the Environment, the establishment of an environmental section in the Attorney General office, the formulation of the National Comprehensive Strategy and the introduction of a number of important environmental legislations.

Of the direct impact of Rio was the implementation of the four programmes of Capacity 21 (started 1996), Bio-Diversity (started 1999), Climate change (started 1998) and the programme of Conservation and development of Dinder National Park (started 2000), all with support of GEF and UNDP.

The literature and the global environmental interaction that followed Rio 1992, also gave impetus to the Sudanese civil society, mainly NGOs, to debate the issues at stake, raise awareness and form pressure groups that helped in improving legislation⁸⁵.

For sustainable development to be realized, the two inputs are the real pillars: financial resources and a genuine political will. The availing of resources requires (a) sensible public expenditure (adequate and equitable) and (b) attraction of external resources. These in turn require the strong political will and the improvement of Sudan image at the global level. The political will and commitment to sustainable development in Sudan, under the present circumstances, can only be indicated by (a) a serious effort to stop the ongoing civil war; (b) extra inputs and efforts to combat poverty; (c) time and resources specific planning to rehabilitate the degraded physical environment; and (d) the creation of a comprehensive and accurate data base for these efforts.

While the issue of rational and equitable public expenditure raises the questions of transparency, accountability and popular participation, the attraction of resources, in addition to the international image, requires building new networks and solidarity for mutual benefits with

⁸⁵ See Hassan Abdel Ati and Nadir Awad, "Effectiveness of Environmental Planning in Sudan", in M.A. Mohamed Salih and Shibru Tedla Environmental Planning, Policies and Politics in Eastern and Southern Africa, Macmillan Press, London, 1999

foreign partners, particularly in the neighboring countries. In short, it is ultimately on issue of governance that needs to be addressed.

A new form of relationship needs to be established, especially in the international meetings and negotiations relating to sustainable development and international environmental Governance (IEG), in which the civil society is actively involved. This is particularly critical if the civil society is to follow up compliance with international agreements and commitments, specially with the rsising levelof inputs invested by NGOs on the environment. For the international community that is is also important as compliance monitoring mechanisms will not be limited to official reporting to World Summits.

For the Sudanese civil society to contribute to the efforts of both sustainable development and improvement of governance, civil liberties and democracy are pre-requisites. However, for that to happen it is neither enough to blame the government for not doing or not doing enough, nor pertinent to wait for things to change or be changed by other forces. The commitment to transparency and accountability needs to start at home within the CSOs. They also need to be part of the influential global civil society movement and new forms of partnerships, cooperation and even strategic alliances need to be established nationally, regionally and internationally. In today's world and its new order of globalization and commercial attitudes, international solidarity is critical for achieving national objectives of democracy, human rights and ultimately sustainable development. That requires (a) moving away from the funding-driven competition and towards complementing and integrating efforts and (b) building a scientific base that would challenge any state deviance from its environmental responsibilities and/or commitments and, at the same time provide the basis for coordination at the international level to serve the national objectives. Effort led by civil society, such as the production of the document "Towards a National Environmental Strategy", though it lacked the political will to be implemented, it, nevertheless, provided a model that ultimately led to the Environmental Law, which is certainly a great leap forward.

International solidarity of CSOs seems more effective than poor countries in redressing the current rising negative trends of disempowering and corporatizing the UN system, the supremacy of trade over the environment (WTO agreements) and the injustices in aid and debt and the related secretive practices. These global trends have their repercussions at the national level and on the government conduct and can only be addressed

FIGURES

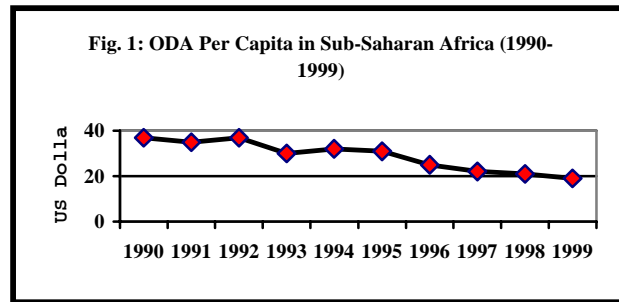


Fig 2.a. IDA Lending Commitments 1990-92

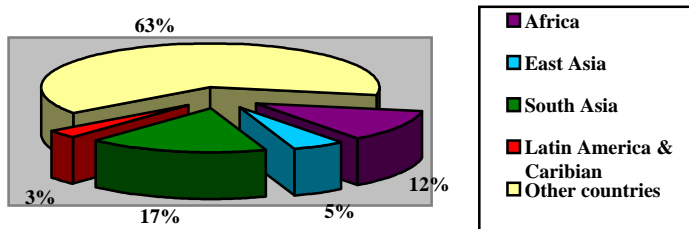


Fig. 2.b. IDA Lending Commitments 1998

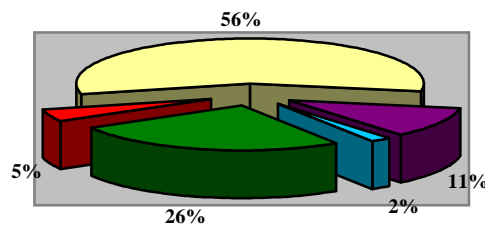
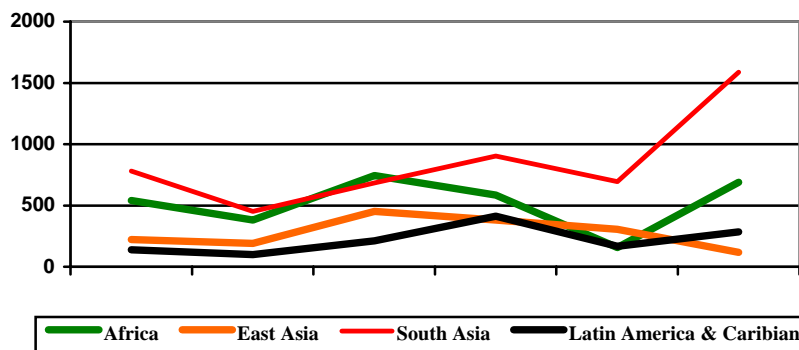
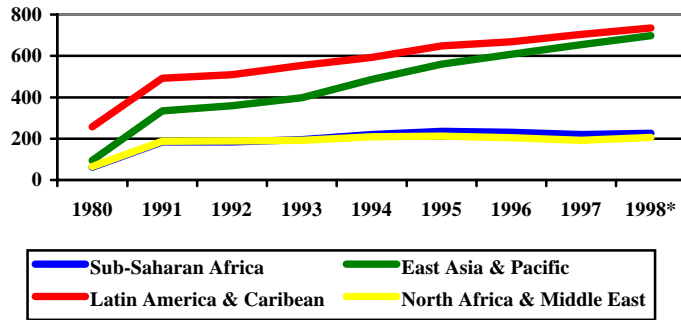


Fig 3: Total IDA Lending Commitments for Development Projects



Source: World Bank, IDA Midterm Review Report, June 2000

Fig. 4.a. Developing Countries Total Debt Stock (1980-1998) (billion US\$)



Source: World Bank, Global Development Finance, 1998

Fig. 4.b: Total African Debt (1993-97)

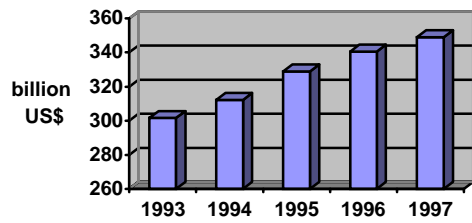


Fig. 4.c: African Debt as % of GDP

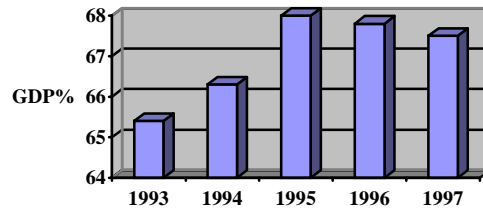


Fig. 4.d: Africa Debt as % of Export

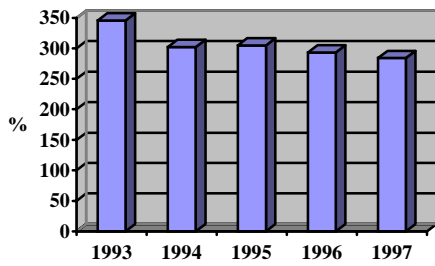
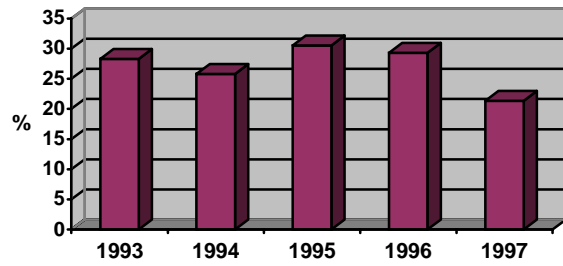


Fig. 4.e: Africa Debt Service as % of Export Value



Source: ECA, Africa Economic Reports, 1998

Fig. 5: Debt and Debt Service 1979-1999 (US\$ million)

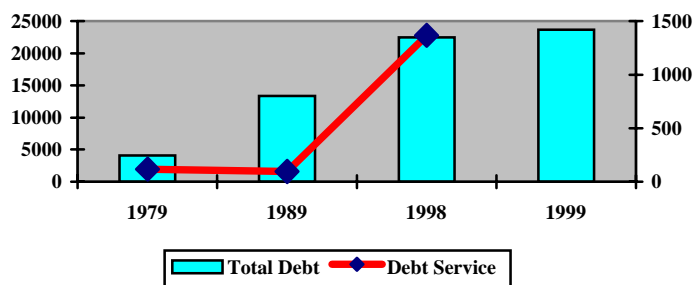


Fig. 6: Sudan Debt Composition

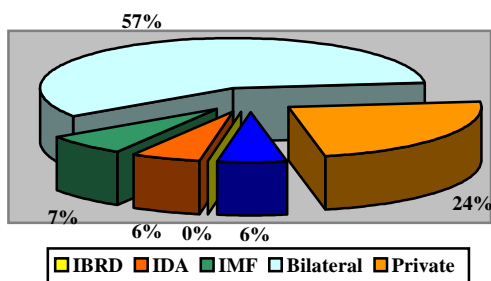


Fig. 8: Sudan Export and Import Levels (US\$ million)

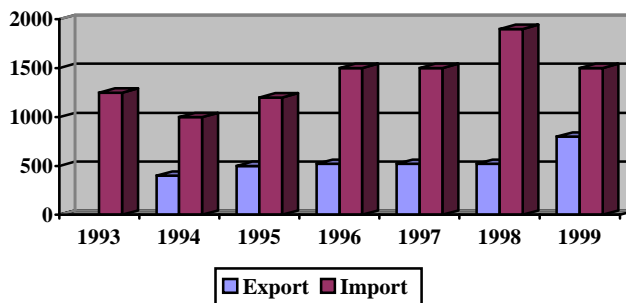
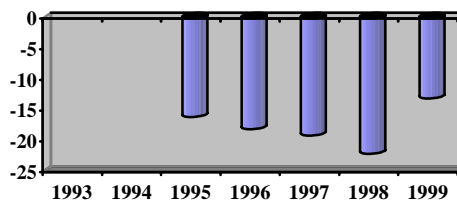


Fig. 9: Sudan Current Account Balance to GDP



Source: World Bank, Sudan at a Glance, 2000

Fig. 10: No of Foreign Investors 1990-1999

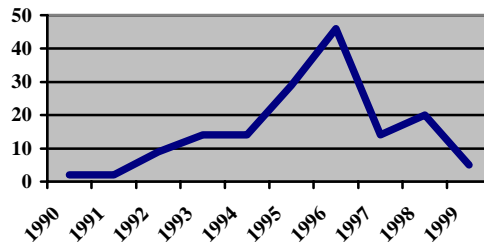


Fig.11: FDI Regional Distribution

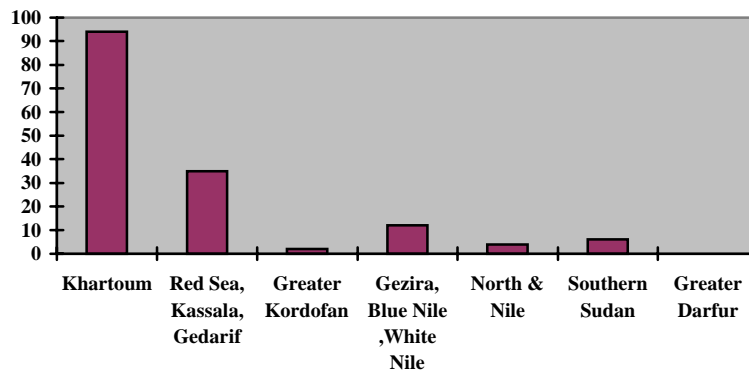


Fig. 12: FDI Distribution by Sector

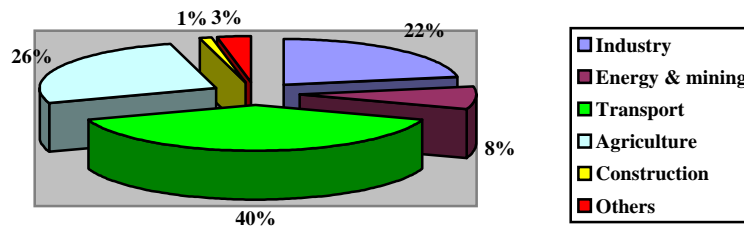
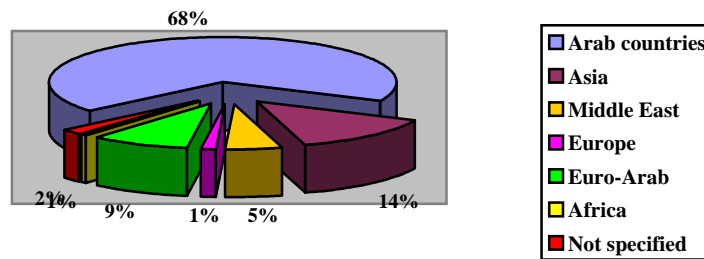
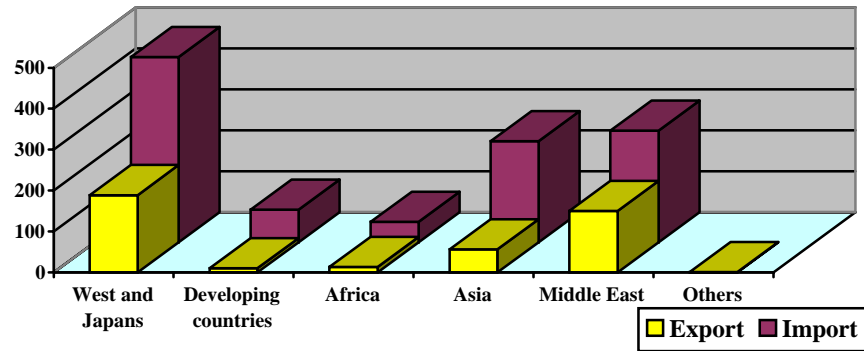


Fig. 13: FDI Distribution by Origin



Source Ali Abdalla Ali, 2001

Fig. 14: Sudan Trade Balance with Partners



Source: Strategic Studies Centre, Sudan Strategic Report, 1998

Fig. 15.a. GEF Budget Allocation

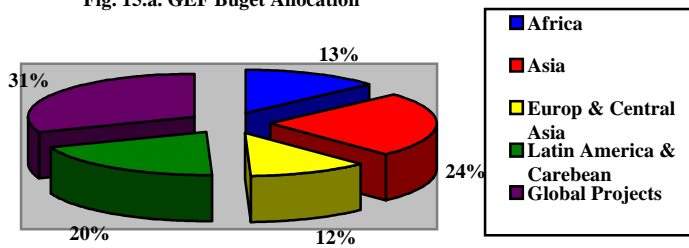
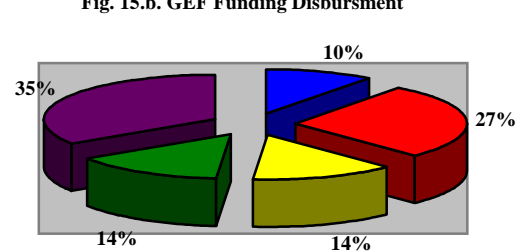


Fig. 15.b. GEF Funding Disbursement



Source: GEF Annual Report, 2000

Annex 1: International Conventions and Agreements

1.1. Binding International Conventions:*

Convention/ Year	Sudan Position	
	Ratified	Accepted/ Signed
Geneva Convention Concerning Use of White Lead in Paints 1921	X	X
London Convention on the Preservation of Fauna Flora their Natural State 1933	1935	
Paris International Convention for the Protection of Birds 1950	X	X
Rome International Convention for the Preservation of Flora 1951	1971	
Moscow Treaty Banning Nuclear Weapons Testes in the Atmosphere, in the Outer Space Under Water 1963	1966	
Rome Agreement for the Establishment of a commission for Controlling Desert Locust in the Near East 1965	1967	
African Convention on the Conservation of Natural Resources 1968	1973	
Convention on Wet Land of International Importance Specially as Water Fowl Habitat (RAMSAR) 1971	X	X
Washington Treaty on the Prohibition of Placement of the Nuclear and other Weapons of Mass Destruction under the Sea Bed and the Ocean Floor and the sub-soil thereof 1961		1971
Paris Convention concerning the Protection of the World Culture and Natural Heritage 1962		1973
<i>After Stockholm 1972</i>		
Washington Convention on Int. Trade in Endangered Species of Wild Fauna and Flora (C.I.T.E.S) 1973		1982
Bonn Convention on the Conservation of Migratory Species of Wild Life (CMS) 1979	X	X
Jeddah Regional Convention for the Conservation of the Red Sea and Gulf of Eden Environment 1982		1982
Jeddah Protocol Conserving Regional Cooperation in Combating Pollution by Oil and other harmful Substance in Cases of Emergency 1982	X	X
Montivo U.N. Convention on the Law of the Sea 1982	1985	
Vienna Convention for the Protection of the Ozone Layer Vienna 1985	1993	
Montreal Protocol on Substances that Deplete Ozone Layer 1987 and amendments 1990, 1992	1993	
Vienna Convention on Early Notification on Nuclear Accidents 1986		1986
Basel Convention on the Control of the Trans-boundary Movement of Hazardous Wastes & their Disposal, 1989	X	X
Bamako Convention on the Ban of import into Africa and Control of Trans-boundary movement and management of Hazardous Wastes within Africa 1991	X	X
<i>Rio 1992 +</i>		
Rio United Nations Framework Convention on Climate Change 1992	1994	
Rio Convention on Biological Diversity 1992	1994	
Convention to Combat Desertification (UNCCD) 1994	1995	
Prior Informed Consent on Hazardous Chemicals in international trade (PICs) 1989		1998
Convention on Persistent organic Pollutants (POPs)		2001

* I would like to thank Dr. Nadir Awad for providing some of the basic information in this table

1.2. Non-binding Environmental Instruments:

(Developed by UNEP and adopted by the Governing Council)

Instruments	Sudan Position
Principles of Conduct in the Field of the Environment for the Guidance of State in the Conservation and Harmonious Utilization of Natural resources Shared by Two or More States	X
Conclusions of the Study of Legal Aspects concerning the Environment Related to Offshore Mining and Drilling within the Limits national Jurisdiction	X
Montreal Guidelines for the Protection of the Marine Environment Against Pollution from Land-Based Sources	X
Cairo Guidelines and Principles for Environmentally Sound Management of Hazardous Wastes	X
Goals and Principle of Environmental Impact assessment	X
London Guidelines for the Exchange of Information on Chemicals in International Trade	X
Code of Ethics on the International Trade in Chemicals	X
Global Programme of Action for the Protection of the Environment form Land-based Activities	X
International Technical Guidelines for Safety in Biotechnology	X