

COMMUNICATION FROM CUBA

Negotiating Proposal on Environmental Services

The following communication has been received from the delegation of Cuba with the request that it be circulated to the Members of the Council for Trade in Services.

I. INTRODUCTION

1. Cuba submits this negotiating proposal¹ as an initial contribution to the discussion on the environmental services sector in the framework of the special negotiating session of the Services Council.
2. The expansion in environmental services since the Earth Summit and the adoption of Agenda 21 in Rio de Janeiro is unquestionably attributable to our increasing environmental awareness and resolve to take action to protect our planet.
3. These services are acquiring considerable significance and far-reaching implications for sustainable development. The pattern of trade in environmental services in recent years has shown a surge in growth which should benefit Members, in particular developing countries, which do not have the same capacity to adjust to the new rules imposed by this type of trade.

II. BASIS FOR NEGOTIATIONS

4. The opening up of markets will create conditions favorable to the development of this sector in developing countries provided that the requisite conditions for ensuring the protection of health, safety and the environment have been established.
5. The process of liberalization does not automatically enhance the competitiveness of the developing countries. Indeed, their domestic capacity has to be strengthened with a view to achieving the efficiency they need to face up to competition from the transnational corporations with access to their markets. To that end, the negotiations will have to take Members' different levels of development into account and facilitate progressive liberalization.

¹ Cuba reserves the right to amend this proposal, which does not prejudice its final position on sub-sectors or services that are not included in the analysis, at any time.

6. Cuba is of the opinion that trade liberalization in this field will only be able to strengthen domestic service suppliers if differential treatment is applied. The qualitative disadvantages arising from the technological gap caused by difficulties in accessing technology and associated know-how must be eliminated.

7. The process of liberalization will enable conditions favourable to economic growth in developing countries to be achieved once it provides for negotiated commitments in the modes of supply of interest to them.

8. The negotiations should take account of Members' right to regulate. Owing to the strategic nature of the environmental services sector, commitments made by the developing countries should be based on the right to adopt the most appropriate environmental policies. Hence, the full right to establish requirements guaranteeing the objectivity of environmental assessments and the real benefit to the national environment should be considered as legitimate objectives for all Members.

9. It is essential that the negotiations take the sustainable development needs of the developing countries into consideration from the very outset.

III. EXPECTED OUTCOME OF THE NEGOTIATIONS

10. National capacity-building must be one of the guaranteed results of the negotiations on environmental services.

11. For this to be the case, market access negotiations will have to provide appropriate guarantees with regard to the following:

- (a) The real transfer, on a favourable commercial basis, of technologies which guarantee the required degree of competitiveness;
 - (b) the transfer of associated know-how;
 - (c) the creation of national technical capabilities, both human and institutional, which ensure subsequent national development of these services; and
 - (d) the adoption of commitments which guarantee the export of services from developing countries in the modes of supply identified as being of interest to them.
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