CANADIAN OBJECTIVES

Overall--focus on general overview of the policy environment and add a paragraph on good governance.

Section A. Promoting sustainable development through trade--retain emphasis in favour of multilateral trading system, market-oriented economic system and trade liberalization while reducing emphasis on market intervention in respect of commodities trade

--emphasize terms of trade as a function of demand and supply and therefore, need for market transparency, non-intervention, market determined-pricing, value-added processing and export product and market diversification, etc.

Section B. Making trade and environment mutually supportive--avoid insertions which would detract from the role of GATT as the international body responsible for international trade rules and their relationship to the environment. Delete wording which seeks to expand mandate of UNCTAD in this regard.

Section C. Providing adequate financial resources to developing countries--emphasize role of developing countries in implementing sound policies to encourage domestic savings and promote investment from domestic and foreign investors as the key route to obtaining adequate finance for sustainable development.

--eliminate reference to a schedule of actions or specific time frame in respect of ODA targets Canada has already agreed to and not accept any new targets in respect of either ODA or environmental funding.

--rewrite the sections of debt so that it becomes consistent with existing Canadian policy and the international debt strategy.

Section D. Encourage economic policies conducive to sustainable development--obtain agreement to this section virtually as written going into Prepcom IV.

PREPCOM DISCUSSION

Disputes were minimized to a considerable extent by liberally quoting from UNCTAD VIII's Cartagena declaration. One of the main issues of contention was over the citing of agricultural subsidies as being environmentally damaging. The EC strongly opposed its inclusion while Argentina, Australia and New Zealand in particular wanted its