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Biotechnology

US PRESSURES WTO MEMBERS ON GMOS

During a visit to the WTO in Geneva on 19 January, US Trade Representative (USTR) Robert Zoellick met with a number of country delegates from Africa, Asia and the Cairns group of agriculture- exporting countries on biotechnology products, including genetically modified organisms (GMOs) in food exports. Meanwhile, a dispute between the US and the EU over GMOs continues to simmer in the WTO's Committee on Technical Barriers to Trade (TBT), and US groups on 20 December criticised the USTR for its attack on earlier EU proposals for labelling and traceability of GM food.

On 19 January, USTR Robert Zoellick told reporters at the WTO that the US had a "strong commitment in terms of opening markets for farm products," and that he had met with African and Asian counterparts on biotech issues. The US is the world's leading exporter of GMO products. Attempting to draw a link between GMOs and development concerns, Zoellick said, "one topic that I am discussing in particular is with the African group and with the others is the biotech area, which we feel is extremely important in terms of dealing with [issues] ranging from the hundreds of millions of African children who have malnutrition to extreme possibilities for benefits in terms of growing food with fewer fertilizers and pesticides". The US is also putting pressure on other Members to adopt open policies on GMOs: recently, it attempted to persuade Croatia from going ahead with legislation that would ban genetically engineered food (see this issue, related article). Sri Lanka, Thailand and Bolivia have also been pressured to back down from stringent GMO legislation.

At the press briefing, Zoellick criticised the EU's de facto moratorium on new genetically modified product approvals. He blamed the EU approach on "fears and lack of a scientific basis or knowledge." According to EC Environment Commissioner Margot Wallstrom, however, the ban -- in place since 1998 -- is likely to remain for at least another two years while EU member states continue to debate proposed labelling and traceability regulations (see BRIDGES Weekly, 31 July 2001). The European Commission in August 2001 notified the WTO TBT Committee of its proposed regulations concerning traceability and labelling of GMOs (doc. numbers G/TBT/N/EEC/6 and 7; available at http://docsonline.wto.org/gen_search.asp).

In response to the EC's notification, the US in early December 2001 submitted a series of questions to the EC outlining its concerns, saying that the Commission's proposals were "not workable and could unduly impair trade". Inter alia, the US says that the EC's proposed regulations are unacceptable because they would require products containing GMOs to be accompanied by a listing of the biotech inputs they may contain. Absent expensive identity preservation systems, the US argues, "suppliers would be forced to list all biotech events approved by the EU. The difficulty and complexities in accurately identifying all of the biotech [inputs] that could possibly be in a shipment creates enormous liability and risk for the shipper / trader." Additionally, the US says that the EC's proposals would be implemented on products that had already undergone risk assessments and had been approved for use.

The USTR was criticised for its condemnation of the EC's labelling and traceability regulations in a 20 December letter signed by a number of consumer, environmental, and animal rights groups, including Friends of the Earth, Center for International Environmental Law, the US Humane Society, and Consumer's Choice Council. One of these groups' major concerns is that the resolution of the US-EU dispute over GMO labelling could establish a precedent for other labelling programs that might undermine labelling programs in the US such as labels on Dolphin Safe tuna and organic food.

According to EC trade officials, the US's questions will be transmitted to the European Council by 31 January, whereupon the Council will deliberate and report back by March or April 2002. At the WTO level, and as a matter of procedure, the EC will shortly notify its labelling and traceability rules to the WTO Committee on Sanitary and Phytosanitary Standards.

The US has indicated that it would refrain from bringing the EC to the WTO's dispute settlement mechanism until such a time as the EC's labelling and traceability regulations enter into force and are implemented.

"US launches drive to free world trade in genetically modified farm produce," AGENCE FRANCE-PRESSE, 21 January 2002; " U.S. Pressures Europe to Drop GMO Labeling Rules," ENVIRONMENT NEWS SERVICE, 16 January 2002; ICTSD Internal Files.

CROATIA LIKELY TO BAN GMO FOOD DESPITE US OPPOSITION

The drafting of legislation banning production and limiting imports of genetically modified food by Croatia's environment ministry has prompted staunch opposition from the US. In a letter published in Croatian newspapers earlier this month, the US threatened to take action at the WTO if Croatia proceeded to outlaw genetically engineered food. According to Croatian Environment Minister Bozo Kovacevic, Croatia is using the GMO ban to maintain a comparative advantage by enhancing organic farm production and offering only GMO-free products to consumers. Kovacevic also referred to Croatia's wish to follow the legislation of the EU, where it is currently seeking membership. EU countries have imposed a moratorium on imports of GMOs, tolerating only up to one percent level of GMOs in products. "We will

definitely ban production, but may allow imports of food containing a small percentage of genetically manipulated ingredients," Kovacevic said on 14 January. He also referred to the right of every WTO Member to unilaterally ban certain products for "domestic reasons" despite the fact that there might not be scientific evidence showing whether they are harmful or not.

"Croatia set to ban GM food production", World Environment News, 15 January, 2002; "US Canadian Activists Back Croatia's Bid To Ban GMO Food", Associated Press, 14 January, 2002.

CANADIAN ORGANIC FARMERS TO SUE MONSANTO AND AVENTIS

Two Canadian organic farmers have filed a lawsuit against Monsanto and Aventis in a court in Canada's prairie province of Saskatchewan. They are seeking damages from the two life science corporations, both of which sell genetically-modified canola seeds. Canada is the world's largest exporter of this crop, and much of it is grown in Saskatchewan, which lies in the centre of the country's main agricultural region. The farmers, who are representing the province's thousand organic farmers, are suing on the basis of loss of income. Because so many farmers use GM canola seed -- 60 percent of the canola grown in the province is genetically modified -- the organic farmers cannot guarantee their produce is 100 percent GM-free, as is required by organic certifiers. This means they are unable to grow canola at all, and on this basis they are claiming that their livelihoods are threatened. They are also hoping their lawsuit will prevent the introduction of transgenic wheat. Monsanto is currently conducting field trials of wheat that is genetically-engineered to resist the company's Roundup Ready herbicide.

This case is likely to attract great interest since in March 2001, an elderly Saskatchewan farmer, Percy Schmeiser, was successfully sued by Monsanto for patent infringement. The company claimed that Schmeiser had illegally planted and sold harvested seed containing the gene and cells covered by Monsanto's patent on Roundup Ready canola.

"Canadian organic farmers sue Monsanto on GM crops," World Environment News, <http://www.planetark.org/avantgo/dailynewsstory.cfm?newsid=13999>. "Monsanto Canada Inc. and Monsanto Company vs. Percy Schmeiser and Schmeiser Enterprises Ltd.," <http://decisions.fct-cf.gc.ca/fct/2001/2001fct256.html>.

ICTSD Internal Files.

BRAZIL WINS PREMIUM BY PRODUCING GM-FREE CORN

This past season the corn harvest in Brazil reached a record with a harvest of 42 million tonnes. Although the major part of the production is consumed by the domestic livestock industry, exports could also face a record estimated to 6.2 million tonnes. This is an improvement compared to last season's net imports of 1.8 million tonnes. The relatively large export is not only due to the increased amount produced, but also due to the fact that Brazil has banned genetically modified crops and is thus only exporting GM-free corn, which has attracted importers. Furthermore, international buyers pay a \$US6-7 premium per tonne for Brazilian corn, due to the fact that it is not genetically modified, said Paulo Molinhari, a corn analyst from Safras e Mercado. The three main importing countries of the Brazilian GM-free corn are Spain, Iran and Japan. "There is plenty of corn in the US right now. Japan and Iran can just as easily look there, but they are turning to Brazil to find GM-free corn," Molinhari said.

"Brazil GM-free corn exports seen at record - Safras," World Environment News, 15 January, 2002.

Fisheries

EU CONSIDERS NEW FISHERIES POLICY

On 17 January, the European Parliament (EP) adopted a report from its Fisheries Committee on the European Commission's Green Paper on a new Common Fisheries Policy (CFP). Under the terms of the current CFP, the EU Council decided in a meeting last December on the total allowable catches (TACs) for this year. The EU's TACs are revised annually. In related developments, several recently released reports criticise substantial incoherencies between EU fisheries policy and EU development policy.

When introducing the report on the new CFP, the rapporteur of the EP's Fisheries Committee explained that reconciling various national interests and different points of view had been a difficult undertaking and that not everyone would be happy with the compromise adopted. It was the EP's task to make recommendations on the CFP Green Paper (available at http://europa.eu.int/comm/fisheries/policy_en.htm) which had been released by the European Commission in a public hearing on 5-7 June last year (see also BRIDGES Weekly, 12 June 2001, <http://www.ictsd.org/html/weekly/12-06-01/story4.htm> as well as BRIDGES Weekly, 19 June 2001, <http://www.ictsd.org/html/weekly/19-06-01/story6.htm>).

The Fisheries Committee principally found that it was necessary to strike a balance between the interests of the European fishermen involved and the need to conserve fish stocks. Furthermore, the Committee said that the new approach to be taken in the forthcoming CFP should be based on modernising fleets, ensuring safety, proper inspection, and aid for the industry. The new CFP report can be viewed at <http://www2.europarl.eu.int/omk/OM-Europarl?prog=report&l=en&pubref=-/ep/text+report+a5-2001-0470+0+doc+sgml+v0/en&level=3&nav=s>

Based on received comments and recommendations such as those made in the EP's report, the European Commission is now preparing a draft proposal of a reformed CFP to be presented to the EP and Council in the next few weeks. The Council will decide on the new CFP before the end of 2002.

Allowable catches set for 2002

Still falling under the provisions of the current CFP [expiring end of this year], the EU Fisheries Council agreed in a 17-18 December meeting on the Total Allowable Catches (TACs) for the year 2002, whereby it did not follow all of the European Commission's proposals and generally decided to set the TACs for 2002 at higher levels than those proposed by the Commission.

Though stating that the set levels would not lead to optimum results, EU Fisheries Commissioner Fischler said that he welcomed "the decision of the fisheries ministers to set the total allowable catches at a biologically acceptable level which would not lead to the deterioration of any fish stocks."

Detailed information on quota allocations is available from the Council press service, at http://europa.eu.int/comm/press_room/index_en.htm.

Reports scrutinise EU fisheries agreements

Three recent reports are putting into question bilateral fisheries agreements pursued by the EU. The European Union has called for tighter control over its own fishing stocks, while moving toward the fisheries of developing countries, much to the dismay of environmental groups such

as the Worldwide Fund for Nature (WWF) (see "Put environment at the heart of European fisheries policy," http://www.panda.org/endangeredseas/publications/manifesto_1.pdf).

However, environmental groups, including WWF, have welcomed the failure of the EU to obtain a new fisheries agreement with Senegal. According to WWF, this development is a "positive sign" that developing countries are becoming more prudent in weighing short-term economic gains against protecting their natural resources. A UN Environment Programme (UNEP) report released on 27 December 2001 cautions developing countries that the costs of allowing foreign fishing fleets into their waters outweigh the benefits of such action (see <http://www.unep.org/Documents/Default.asp? DocumentID=227&ArticleID=2991>). Similarly, Eurostep recently released a paper entitled "Fishing for Coherence: Promoting Complementarity between EU Fisheries Arrangements and Development Policy," highlighting inconsistencies between EU fisheries policy and EU development policy. This paper is available at <http://www.oneworld.org/eurostep/fishcoh.htm>. The WTO Ministerial Declaration adopted on 14 November 2001 in Doha launched negotiations on fisheries subsidies, while acknowledging the importance of this sector to developing countries.

On 12 February, UNEP's Economics and Trade Unit (ETU) will organise a Fisheries Subsidies Reform Workshop aimed at building understanding and consensus on policy reform in that sector, including subsidy reform that will contribute to the sustainable development of fisheries.

"EU Parliament Calls for Tighter EU Control Over Fisheries," ASSOCIATED FOREIGN PRESS, 17 January 2002; "NGOs Welcome EU Failure to Secure Fisheries Agreement With Senegal," INTER PRESS SERVICE, January 2002; UNEP, 27 December 2001; Regular News Update from EUROSTEP, 18 January 2002. ICTSD Internal Files.

In Brief

EU, S. AFRICA COMPLETE GEOGRAPHICAL INDICATIONS AGREEMENTS. On 21 January, the EU Agriculture Council adopted a set of agreements between the EU and South Africa on trade in wine and spirits. Once the agreements have been signed (expected this month), they will then provisionally enter into force, becoming definitive once they have been ratified by South Africa's parliament. The parties had on 25 July 2001 agreed ad referendum on "all important outstanding issues," including provisions on protection of geographical indications, wine making practices and product specification, import certification, and dispute settlement. According to an EC press release, the agreements provide better protection for EU appellations of origin than the protection available under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). They will provide exclusive protection for EU wines such as "Champagne", "Chianti", "Port" and "Sherry". As regards "Port" and "Sherry", South Africa will refrain from using these terms for their own wines after transitional periods of twelve years on its domestic market and after five years on export markets, whereby the periods already started from 1 January 2000. In addition, both parties agreed on the mutual recognition of licences issued by the exporting country.

"Commission welcomes conclusion of EU-South Africa wine and spirits negotiations," EUROPEAN COMMISSION PRESS RELEASE, 21 January 2002.

WIPO CONVENES HIGH-LEVEL FORUM ON TRADITIONAL KNOWLEDGE. On 21-22 January, the Sultanate of Oman hosted a World Intellectual Property Organisation (WIPO) ministerial forum on "Intellectual Property and Traditional Knowledge: Our Identity,

Our Future". The forum brought together ministers and senior policy makers from around the world to discuss and exchange experiences on the various cultural, social and economic issues surrounding protection of traditional knowledge. The meeting covered the following five themes: the relevance of applying the intellectual property system for the protection of traditional knowledge; traditional knowledge -- a bridge between civilizations and cultures; traditional knowledge -- a source of wealth creation; the economic value of traditional knowledge; the future - what lies ahead. Speakers included Prince el Hassan bin Talal of Jordan, Bhoutros Bhoutros Ghali, Secretary General of the International Organisation of the Francophonie, and Amara Essy, Secretary General of the Organization of African Unity.

Information on the WIPO Forum including background documents is available on the WIPO website at: http://www.wipo.int/arab/en/index.html?wipo_content_frame=/arab/en/meetings/2002/muscat_forum_ip/index.html.

SPAIN RATIFIES CARTAGENA PROTOCOL ON BIOSAFETY. On 16 January 2002, Spain ratified the Cartagena Protocol on Biosafety. The protocol has been open for signature since May 2000 and was signed by 107 countries. Spain is the 11th country to ratify the Cartagena Protocol on Biosafety, which must be ratified by 50 countries in order to enter into force.

Events & Resources

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar at <http://www.ictsd.org/html/calendar.htm>.

Coming Up In The Next Two Weeks

28 January - 8 February, New York, United States: CSD-10 ACTING AS 2ND PREPCOM FOR THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT. Organised by the UN. For further information contact JoAnne DiSano, Director, UN Division for Sustainable Development (DESA); tel: (1 212) 963 3401 /3160; fax: 963 3463; email: maini@un.org; Internet: <http://www.johannesburgsummit.org/>.

28-29 January, Nairobi, Kenya: REGIONAL CONFERENCE ON PUBLIC PERCEPTIONS OF BIOTECHNOLOGY IN AFRICA. For further information contact Anna Ogalo or Harrison Maganga, African Centre for Technology Studies, Nairobi, Kenya; tel: +254-2-524700/6; fax: +254-2-524701; e-mail: acts@cgiar.org or a.ogalo@cgiar.org; Internet: <http://www.acts.or.ke>. From IISD Linkages, <http://www.iisd.ca>.

1 February, Geneva, Switzerland: FAO ROUNDTABLE ON SPECIAL AND DIFFERENTIAL TREATMENT IN THE CONTEXT OF THE WTO NEGOTIATIONS ON AGRICULTURE. The Round Table will consider Special and Differential Treatment in the context of the on-going WTO negotiations on agriculture and in particular how to take into account concerns of developing countries related to the Development Box proposal, Small Island Developing States and Single Commodity Exporters. For further information contact the Commodities and Trade Division, UN Food and Agricultural Organization; <http://www.fao.org/ES/ESC/default.htm>.

4-7 February, San Jose, Costa Rica: INTERNATIONAL CONFERENCE ON THE IMPACTS OF AGRICULTURAL RESEARCH AND DEVELOPMENT. Sponsored by the Consultative

Group on International Agricultural Research (CGIAR) and the International Maize and Wheat Improvement Center, the conference will bring together researchers and other professionals interested in documenting and measuring the impact of international agricultural research. Participants are expected to highlight experiences and case studies of impacts on agricultural productivity, equity, poverty, social health, and nutrition, the environment, as well as on institutions and human capital. For further information contact: email: impacts@cgiar.org; Internet: <http://www.cimmyt.org/research/economics/impacts/> . From IISD Linkages, <http://www.iisd.ca>.

4 - 8 February, Montreal, Canada: MEETING OF THE AD HOC INTER-SESSIONAL WORKING GROUP ON ARTICLE 8(J). For further information, contact Hamdallah Zedan, Executive Secretary, CBD Secretariat; tel: (1 514) 288 2220; fax: 288 6588; email: secretariat@biodiv.org; Internet: <http://www.biodiv.org>.

Other Forthcoming Events

13-15 March, Vancouver, Canada: 7TH INTERNATIONAL CONFERENCE & TRADE FAIR ON BUSINESS AND THE ENVIRONMENT. Organised by GLOBE. The conference will bring together leaders from corporate, industrial and government circles to discuss strategy and source technology. For further information contact GLOBE Foundation Canada, tel: 1-800-274-6097; email: info@globe.apfnet.org; Internet: <http://www.globe2002.com>.

25-27 March, Washington, DC, USA: 13TH ANNUAL CONFERENCE ON CLIMATE CHANGE AND OZONE PROTECTION. Organised by a coalition of industry, business, and government. The annual conference evolved from the International Conference on Ozone Protection Technologies and the International Climate Change Conference. The merger of these two conferences provides a comprehensive educational program and exhibition featuring the latest ozone protection and climate change technologies and policies. Over 800 individuals from 30 countries participated in the last Earth Technologies Forum in Washington, DC. For further information contact Earth Technologies Forum, Arlington, Virginia, tel: (1-703) 807-4052; fax: 528-1734; email: earthforum@alcade-fay.com; Internet: <http://www.earthforum.com>.

7-19 April, The Hague, Netherlands: THE 6TH MEETING OF THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY (COP 6) Organised by the Secretariat of the Convention on Biological Diversity and the Government of the Netherlands. At its sixth meeting, the COP is expected to receive reports from its subsidiary bodies, the Executive Secretary and the Global Environment Facility, review the implementation of the programme of work, and focus on the following issues that will be considered in depth: forest biological diversity; invasive alien species that threaten ecosystems, habitats or species; access and benefit-sharing as related to genetic resources; strategic plan, national reporting and operations of the Convention. Furthermore, the meeting will adopt a budget for the next biennium. For further information contact Mr. Hamdallah Zedan, Executive Secretary, the CBD Secretariat, Montreal; tel: (1-514) 288 2220; fax: 288 6588; email: secretariat@biodiv.org; Internet: <http://www.biodiv.org>.

RESOURCES

If you have a relevant resource (books, papers, bulletins, etc.) you would like to see announced in this section, please forward a copy or review by the BRIDGES staff to hbaumuller@ictsd.ch. Submissions of publications to ICTSD's documentation centre would also be welcome (contact Matteo Rizzolli, mrizzolli@ictsd.ch).

HANDBOOK OF THE CONVENTION ON BIOLOGICAL DIVERSITY. Published by the Secretariat of the Convention on Biological Diversity, December 2001. The handbook contains

the full texts of the Convention, the Cartagena Protocol on Biosafety and the decisions of the Conference of the Parties from 1994 to 2000. It presents all the most important information about the Convention and the Protocol, including a description of the background to the Convention and its institutional arrangements, a guide to the decisions adopted and a guide to ongoing activities in relation to particular Articles and thematic areas. The accompanying CD-Rom contains the electronic book (e-book) of the Handbook. Further information available at: <http://www.earthscan.co.uk/asp/bookdetails.asp?key=3557>.

THE STATE OF THE WORLD'S FORESTS 2001, FAO, 2001. The latest edition of FAO's flagship publication on forests is now available electronically on the FAO Forestry website. See <http://www.fao.org/forestry/fo/sofo/sofo-e.stm>.

BIOTECHNOLOGY AND INTELLECTUAL PROPERTY: PATENTING OF HIGHER LIFE FORMS AND RELATED ISSUES. An Interim Report to the Government of Canada Biotechnology Ministerial Coordinating Committee, by the Canadian Biotechnology Advisory Committee, 2001. The interim report is intended to present not only the array of draft recommendations proposed by CBAC, but also the background and context against which the major facts and arguments considered in arriving at those recommendations must be understood. Available at http://www.cbac-cccb.ca/documents/IP_ExSumm_en.pdf.

"Biological adversity: the hidden costs of trade and economic Globalization," by C. Bright in HARVARD INTERNATIONAL REVIEW 22 (4, 2001): 24-27. Human activities have enabled just about every form of life - pathogens, plants, insects, fish, and mammals - to invade non-native territories. According to the publication, bioinvasions are occurring in most major landmasses, rivers, lakes, and probably along most stretches of tropical and temperate ocean coastline.

Electronic Resources

IATP is sponsoring a new listserv on the proposed Development Box being debated at the WTO. The listserv is for posting articles and documents, not for debate. To subscribe: in the body of a message addressed to listserv@iatp.org, type: subscribe wto-development-box

BIOSAFETY CLEARINGHOUSE TOOLKIT. As part of the pilot phase of the Biosafety Clearinghouse, the Secretariat of the Convention on Biological Diversity has developed an online Toolkit. The Toolkit is meant to serve as an informative and instructional tool to assist interested users with the use of the pilot Biosafety site. The tool kit includes the interoperability standards/guidelines for the BCH database prepared by the Secretariat to facilitate exchange of information with existing international, regional or national databases. Database developers can follow these standards to establish national databases or to make the existing databases interoperable with the BCH database.

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