



International Centre for Trade  
and Sustainable Development

# *BRIDGES* **Trade BioRes**



20 February 2004

Volume 4, N°3

To subscribe to *BRIDGES Trade BioRes*, send a blank email to [subscribe\\_biores@ictsd.ch](mailto:subscribe_biores@ictsd.ch)

## CONTENT

<b>Biodiversity</b>	<b>1</b>
Trade Permeates Biodiversity Talks In Kuala Lumpur	
<b>Biotechnology</b>	<b>4</b>
Trade @ MOP-1: What To Look Out For...	
<b>Commodities</b>	<b>5</b>
Commodities Plan - The Way Forward For Developing Countries?	
<b>In Brief</b>	<b>6</b>
<b>Events &amp; Resources</b>	<b>9</b>

## **Biodiversity**

### **TRADE PERMEATES BIODIVERSITY TALKS IN KUALA LUMPUR**

At the seventh meeting of the Conference of the Parties (COP-7) to the Convention on Biological Diversity (CBD), held in Kuala Lumpur, Malaysia, from 9 to 20 February, trade-related considerations cropped up in almost every area of discussion, including in some of the more unlikely places, such as mountain biodiversity and inland water systems. Many civil society groups deplored what they saw as a sell-out to the WTO, calling for WTO-related issues to be kept out of the CBD discussions. While delegates managed to resolve some of the more overt disagreements over trade-related language, the impact of underlying trade considerations continued to be felt during plenary discussions and in the final outcomes.

### **Shifting from trade to biodiversity impacts**

Disagreements over trade-related language held up the adoption of decisions on mountain biodiversity, inland water systems and alien species until the last day, following insistence by several countries, including Argentina, Australia and Brazil, to include language related to avoiding trade-distortions when implementing positive incentive measures -- a proposal opposed by the EC. After extensive informal discussions, this language was dropped from the three decisions and replaced with a footnote stating that the implementation of the decisions "should not promote incentives that negatively affect biodiversity of other countries". The same footnote was added to the decision on sustainable use during the plenary at the request of Argentina. As one delegate noted, this seeming shift of focus away from trade and towards biodiversity impacts could be seen as an acknowledgement of the concept of 'mutual supportiveness' of trade and environment as embodied in the WSSD Plan of Implementation.

Also during the plenary, Australia expressed its regret that no chapeau paragraph had been included in the decision on alien species to address trade-related issues. Australia noted that it had supported the three decisions as well as the decision on sustainable use on the assumption that Parties would implement the decisions in a manner consistent with their international rights and obligations.

### **Progress on incentives measures marred by concerns over Ag subsidies**

Delegates failed to adopt the proposals on removing and mitigating perverse incentives, included in the decision on incentive measures (see BRIDGES Trade BioRes, 6 February 2004, <http://www.ictsd.org/biores/04-02-06/story1.htm>), instead sending it to the CBD's Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) for further consideration at its next meeting. In the meantime, Parties are encouraged to use the draft proposals as "voluntary interim guidelines". Argentina in particular -- supported by Brazil and Australia -- had raised a number of concerns over the proposals, broadly related to the use of positive incentives and mitigating measures. During the plenary, Argentina registered reservations on 18 paragraphs in the decision, which should be given special attention by SBSTTA. The country cited concerns over agricultural subsidies as underlying these concerns, noting that the decision should not be used by any country to justify the provision of agricultural subsidies. Argentina furthermore stressed that before advancing on positive incentives, necessary measures should be taken to eliminate perverse incentives.

In the WTO, Argentina, Brazil and Australia, which are all members of the Cairns Group of agricultural exporting countries, are among the strong supporters of reducing agricultural subsidies. In contrast, the 'Friends of Multifunctionality', including the EC, Switzerland and Japan, are generally more reluctant to liberalise agricultural trade, arguing that agriculture also addresses so-called 'non-trade concerns' such as environment, food security and rural development.

The issue of agriculture also arose during discussions on sustainable use. While delegates adopted the Addis Ababa Principles and Guidelines for Sustainable Use of Biodiversity (see BRIDGES Trade BioRes, 6 February 2004, referenced above), they noted the need for further elaboration of issues related to agricultural biodiversity, which they recognised had not been adequately addressed during the development of the Principles. The decision requests SBSTTA to "explore the applicability of these principles and guidelines to agricultural biodiversity" before COP-9.

### **Disagreement over alien species remains unresolved**

The COP-6 President Hans Hoogeveen conducted informal consultations on the Guiding Principles for the prevention, introduction and mitigation of the impacts of alien species (decision VI/23), based on a compromise proposal put forward on his own initiative. Delegates, however, failed to reach agreement on the proposal, which was subsequently withdrawn. During the plenary, Australia expressed its "deep and profound regret" that no consensus could be reached, reiterating its trade-related concerns over the decision (see BRIDGES Trade BioRes, 2 May 2002, <http://www.ictsd.org/biores/02-05-02/story1.htm>). Brazil reiterated its objection to the decision's adoption on procedural grounds. Australia will seek clarification of the dispute at COP-8 and has requested the COP-7 President to conduct informal consultations in the interim.

References to trade-related issues in the decision on alien species remained largely unchanged (see BRIDGES Trade BioRes, 6 February 2004, referenced above). The decision invites the WTO and its relevant bodies to take into consideration the risks of alien invasive species in their deliberations, calling on the CBD Executive Secretary to collaborate with the WTO "whenever feasible and appropriate" on raising awareness of the issues and promoting cooperation. Delegates avoided the contentious Decision VI/23 by removing all references to the decision in the COP-7 texts, opting for a broader reference to "decisions" of the COP.

### **Negotiations on ABS regime to get underway**

Delegates agreed to mandate the Ad hoc Open-ended Working Group on Access and Benefit-sharing to "elaborate and negotiate an international regime on access to genetic resources and benefit-sharing" based on the terms of reference included in the COP decision. As expected, delegates did not attempt to resolve the contentious issues of the regime's legal nature, scope and elements, opting for setting a broad framework for further talks in the Working Group. After lengthy discussions over the pace of negotiations for the international regime, delegates agreed to hold two sessions of the Group before COP-8 in Thailand and Spain respectively. As one observer noted, delegates did not include a discussion on the objectives of the regime in the terms of reference, raising concerns that without clear objectives the negotiations might become more drawn-out and difficult.

The ABS Working Group will carry out its work in close collaboration with the Working Group on Article 8(j) and Related Provisions, dealing with indigenous issues, which was mandated to make recommendations to ensure that the ABS regime includes *sui generis* systems and measures for the protection of traditional knowledge (TK). Furthermore, the Working Group will assess the role of databases and registers in the protection of TK; the potential of and conditions under which existing and new forms of intellectual property rights (IPRs) can contribute to the objectives of Article 8(j) and related provisions; and non-intellectual-property-based *sui generis* forms of TK protection. Several of these issues are also under discussion at WIPO's Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (see BRIDGES Trade BioRes, 20 December 2002, <http://www.ictsd.org/biores/02-12-20/story1.htm>).

### **Relationship with WIPO raised in debates on ABS and 8(j)**

One of the last issues to be resolved in the ABS decision concerned the reference to the World Intellectual Property Organization (WIPO), discussed in the context of measures to ensure prior informed consent and mutually agreed terms. While acknowledging the usefulness of drawing on WIPO's expertise, some developing countries expressed concern over language inviting WIPO to address the IPR issues related to access to genetic resources and disclosure requirements. Underlying these concerns were questions regarding the CBD's relationship with WIPO, which had already been raised at the last meeting of the ABS Working Group in December 2003 (see BRIDGES Trade BioRes, 15 December 2003, <http://www.ictsd.org/biores/03-12-15/story2.htm>).

To address these concerns, the compromise text invites WIPO to "examine and where appropriate address" the interrelation of access to genetic resources and disclosure requirements in IPR applications in a manner supportive of the CBD objectives, while also calling on UNCTAD and other relevant organisations to examine these issues. Similarly, WIPO together with the CBD Secretariat, UNCTAD and other relevant organisations was invited to prepare technical studies on the role of IPRs in technology transfer in the context of the CBD as part of the Work Programme on technology transfer adopted at the COP. In addition, references to specific WIPO bodies were dropped in the decisions on ABS and Article 8(j), thereby leaving it open where these issues would be addressed in WIPO. Moreover, the ABS decision invites WIPO to regularly provide reports to the CBD Secretariat on its work, thereby formalising a process that has in practice already been in place since 1998 when COP-4 called for enhanced cooperation and information exchange with WIPO, including in the context of discussions on Article 8(j).

COP-8 will be held in Brazil in the first half of 2006.

Preliminary versions of all decisions are already available on the CBD website at <http://www.biodiv.org/meetings/cop-07/docs.aspx>,

ICTSD reporting.

---

**Biotechnology**

---

**TRADE @ MOP-1: WHAT TO LOOK OUT FOR...**

The first meeting of the Parties to the Cartagena Protocol (MOP-1) is set to get underway in Kuala Lumpur, Malaysia, on 23 February for a week of discussions on implementation details of the Biosafety Protocol, including documentation requirements for shipments of living modified organisms (LMOs), capacity building, compliance and liability. Labelling of LMO shipments is again likely to prove contentious, as many details remained unresolved at the April 2002 meeting of the Intergovernmental Committee on the Cartagena Protocol on Biosafety (ICCP; see BRIDGES Trade BioRes, 2 May 2002, <http://www.ictsd.org/biores/02-05-02/story3.htm>).

On the sidelines of the meeting, the US, Canada and Mexico are expected to seek further support for a trilateral agreement signed in November last year, setting standards for labelling of LMO shipments. Civil society groups have sharply criticised the deal, arguing that it undermined the documentation provisions of the Biosafety Protocol.

**Labelling of LMO shipments**

As mandated by Article 18 of the Protocol, shipments of LMOs for use in food and feed and for processing should be labelled as "may contain" LMOs and as not intended for release into the environment (para. 2a). The Article furthermore requests the MOP to take a decision on the detailed documentation requirements "including specification of their identity and any unique identification" within two years after the Protocol's entry into force (September 2003). A number of issues were raised at the ICCP in this context, including the type and extent of accompanying information; the implications of the "may contain" requirement; the need for unique identification; the unintentional presence of LMOs, including unauthorised LMOs, and the related question of labelling thresholds; identity preservation; and testing standards. While MOP-1 is not expected to agree on any of these points, Parties will need to set the parameters for further discussions.

The submissions from governments and organisations on this item highlight the opposing views (UNEP/CBD/BS/COP-MOP/1/INF/3). The EC -- which has one of the world's most stringent import regimes for LMOs -- is likely to push for documentation requirements that correspond to its own regulations. The EC, together with Switzerland, supports the use of "unique identification" for documentation (i.e. a code identifying a transgenic plant line), citing the OECD system as a possible model, which was also adopted in the EC regulations. In addition, the EC acknowledges the need to address labelling thresholds for the unintentional presence of LMOs. The new EC regulations set a threshold of 0.9 percent, below which genetically modified products are exempt from labelling, and 0.5 percent for the adventitious presence of GMOs that are unauthorised but have nevertheless been assessed as risk-free (see BRIDGES Trade BioRes, 11 July 2002, <http://www.ictsd.org/biores/03-07-11/story1.htm>). The environmental group WWF would like to see even stricter requirements, arguing that it would be "inappropriate" to set minimum thresholds for LMO content and that all LMO shipments, which may contain LMOs should be subject to the Protocol's identification requirements.

In contrast, the main LMO exporters, such as the US, Australia and Canada -- which have yet to ratify the Protocol -- would like to keep documentation requirements to a minimum so as not to hinder trade in LMOs. The US and Canada believe that documentation requirements under para. 2a should not apply to the unintentional presence of LMOs. The US furthermore supports the proposal of the International Grain Trade Coalition to establish a 5 percent labelling threshold, below which LMO shipments would be exempt from the documentation requirements of para. 2a. Moreover, Australia and Canada would like to see discussions on detailed documentation requirements postponed to a later date to allow Parties to gain experience with implementing the "may contain" labelling requirement. Not being Parties to the Protocol, these countries will not be eligible for voting at MOP-1. Nevertheless, the current Parties -- predominately developing and European countries -- will need to find a balance between implementing the strict requirements that many of

them have advocated in the past while not closing the door to future ratifications by countries favouring less stringent rules.

### **US-Canada-Mexico deal**

A deal struck between the US, Canada and Mexico -- partners in the North American Free Trade Agreement (NAFTA) -- in November 2003 already sets standards for some of the issues that are likely to come up at MOP-1. Specifically, the agreement sets a 5 percent threshold below which shipments are excluded from being labelled as "may contain" LMOs. The unintentional presence of LMOs will not trigger any labelling requirements. The information will be provided on the invoice accompanying the shipment and no other documentation will be required. The three countries are expected to lobby for the use of the agreement as a template for discussions at MOP-1. Mexico is said to have made efforts to bring other Central and South American countries on board, with Argentina, Brazil and Uruguay reportedly having expressed some interest.

Civil society groups have attacked the deal as an attempt to undermine the Protocol and "pre-empt some of the decisions of the Parties to be adopted", according to Eric Darier of Greenpeace. Mexican farmers and activists in particular have expressed concern that biotech corn, imported for food and feed, might be used for planting in Mexico and could contaminate or displace native maize varieties. Such contamination was found to have already occurred in late-2001 in Mexico, leading to an investigation by the NAFTA Commission on Environmental Co-operation, which is set to release its first draft report in March.

### **Additional Resources**

MOP-1 documents: <http://www.biodiv.org/meetings/mop-01/docs.aspx>

ICTSD reporting; "Greenbacks set to colour biodiversity meet," IPS, 4 February 2003; "Mexico looking South to expand GE trade agreement," FOOD CHEMICAL NEWS, 15 December 2003.

## **Commodities**

---

### **COMMODITIES PLAN - THE WAY FORWARD FOR DEVELOPING COUNTRIES?**

The European Commission adopted a commodities action plan on 12 February with the aim of assisting developing countries to combat agricultural commodity dependence. EC support will target the African cotton sector specifically, and assist African, Caribbean and Pacific (ACP) countries in overcoming short-term fluctuations in export earnings. At the same time, experts met in Rome to discuss the importance of the rice sector for food security in developing countries.

### **Strategy to target commodity dependent developing countries**

Recognising the need to reduce the vulnerability of countries dependent on commodities such as coffee, cotton and cocoa for their export earnings, the EC has adopted a plan focusing on six major areas: supporting commodity dependent developing countries in elaborating strategies covering critical parts of the commodities chain; supporting regional initiatives for commodity development; increasing access to finance and commodity risk insurance schemes; supporting diversification; helping integrate commodity dependent countries in the international trading system; and enhancing sustainable corporate practices and investments in such countries.

Building on the action plan, the Commission has furthermore developed a specific programme for African cotton producers. The EC has allocated more than EUR 80 million in trade-related technical assistance to help African cotton producers consolidate the competitiveness of their cotton sectors and put in place

measures to mitigate the impact of price fluctuations. The EC is currently discussing a reform of the support for its cotton producers by partly decoupling support from production, which would reduce trade-distorting effects. The EC does not apply export subsidies to cotton, and encourages other developed countries to eliminate such subsidies and improve access to their markets.

EC Trade Commissioner Pascal Lamy commented that, "commodity dependent developing countries are particularly disadvantaged in their efforts to reap the benefits of a more open international trading system...trade alone is clearly not a sufficient answer as we have witnessed in the case of African cotton, which already has full market access in the EU. We need to support the development of the supply side. We must also continue our efforts to reduce trade-distorting support. These are key objectives of the on-going WTO negotiations which need to re-start in earnest if development friendly outcomes such as these are to be assured".

### **Commodities plan discussed at ACP-EU meeting**

Officials from the ACP countries met with 300 parliamentarians from the EU in the Ethiopian capital Addis Ababa from 16-19 February. The objective of the meeting was to discuss peace and security in developing countries, aid, trade and health-related issues. Lamy also outlined the new EC trade commodities action plan, and participants had the opportunity to comment on it. Although the EC hoped the new strategies would help Africa meet some of the Millennium Development Goals set by the UN, critics pointed out that the major problems of EC farm subsidies were not discussed in the ACP-EC talks. At the launch of the conference, Ethiopian Prime Minister Meles Zenawi stressed, "Without fair trade, nothing we do will create sustained development". Sam Barrett of Oxfam International noted that, "Europe should not use the cotton issue as a smokescreen to hide its inaction on sectors where EU subsidies are the real problem, such as sugar and dairy products... Tariffs and subsidies are effectively controlling the way markets work -- the way you let some commodities in and keep others out".

### **The importance of rice**

In related news, experts at an international conference on Rice in Global Markets and Sustainable Production Systems, hosted by the UN Food and Agriculture Organisation (FAO) from 12-23 February, stressed the urgent need to intensify the sustainable production of rice, combined with increased production of fish and livestock, to ensure food security in developing countries. Participants highlighted that more than 2 billion people, mainly poor rural farmers, depend on rice production for their livelihoods and are currently unable to reap the potential benefits of agro-intensification while being faced with falling prices, increased market competition and changing economic policies. In particular, the need to develop new methodologies and production techniques with increased pressure on land and water resources was noted. The meeting formed part of the UN International Year of Rice campaign aimed at raising awareness of the importance of sustainable rice production for achieving the United Nations Millennium Development Goals.

ICTSD reporting; "Ethiopia: ACP-EU trade conference opens in Addis Ababa," IRIN NEWS, 16 February 2004; "Africa: Focus on EU/ACP trade conference in Addis Ababa," IRIN NEWS, 16 February 2004; "Commission adopts action plan to help developing countries fight agricultural commodity dependency and support the development of the cotton sector in Africa," EC RELEASE, 12 February 2004.

## **In Brief**

---

### **DEVELOPING COUNTRY ROLE IN FISHERIES TRADE DISCUSSED**

The Sub-Committee of the UN Food and Agriculture Organisation (FAO) on Fish Trade met for its ninth session from 10-14 February in Bremen, Germany. Participants discussed eco-labelling, food safety, traceability rules as well as market access for developing countries. Discussions on food safety and consumer health topped the agenda at the meeting, with participants calling both for greater safety control through

traceability systems -- ie tracing the fish product from capture to consumption -- as well as for capacity building for developing countries to implement such systems and related safety controls. The risk of safety measures, implemented by countries to protect human health and/or the environment, becoming a barrier to trade and market access for developing country exports was highlighted. In this respect, participants stressed that such measures should be based on solid science in order to avoid unfair barriers to trade. Regarding market access, speakers also noted that although developing countries account for around 50 percent of the world fish trade, a major part of their exports consist of unprocessed fish instead of processed fish products, which would provide higher revenue. According to FAO officer Audun Lem, the main reason for this could be found in tariff peaks and tariff escalations for processed fish applied by developed countries (tariff peaks, i.e. exceptionally high tariffs on certain products, and tariff escalation, i.e. higher tariffs on products of higher value added). On standards, participants agreed on draft eco-labelling guidelines for fish products that would serve as global reference standards for eco-labelling systems once adopted.

The draft report of the meeting will be submitted to the FAO Committee on Fisheries for approval.

Meeting documents are available at: [http://www.fao.org/fi/meetings/cofi/cofift\\_9/default.asp](http://www.fao.org/fi/meetings/cofi/cofift_9/default.asp)

"Fish trade a success story for developing countries, but is the field level enough," FAO, 13 February, 2004; "FAO meeting on global fish trade closes in Germany," FAO, 16 February, 2004; "UN meeting on global fish trade recommends action to boost consumer safety," UN NEWS, 17 February, 2004.

### **GO AHEAD FOR US ACTION AGAINST ASIAN SHRIMP**

On 16 February the US International Trade Commission gave the go ahead for imposing anti-dumping duties on shrimp products from Brazil, China, Ecuador, India, Thailand and Vietnam (see BRIDGES Trade BioRes, 22 January 2004, <http://www.ictsd.org/biores/04-01-22/inbrief.htm>). The panel decided unanimously that lower-priced aquaculture shrimp posed unfair competition to the US shrimp industry -- which mainly harvests wild shrimp -- as it is sold at lower prices on the US market compared to other markets. The decision enables the US Commerce Department to impose preliminary duties on frozen and canned shrimp from the Asian and Latin American countries in early June. The Asian countries were disappointed with the decision arguing that shrimp aquaculture in Asia is plainly cheaper than the US wild harvested shrimp production. The US Commerce Department has to find additional evidence -- until August when the panel votes again -- in order to impose the high anti-dumping duties requested from the US alliance of shrimp producers. The current decision is the first of four decisions that need to be taken before the US can impose tariffs on the shrimp products; the final decision will be taken by the International Trade Committee. However, the Asian countries have declared that they would argue their case. "We are all geared to fight the case and industry has already hired lawyers for this," said S N Menon, an official from the Indian federal commerce ministry.

"US Panel Clears Way For Anti-dumping Duty On Shrimp," REUTERS, 20 February 2004; "India says US shrimp trade ruling unfair," AP, 19 February 2004.

"Malaysia lashes out at Indonesia," US activists in illegal timber row, VANGUARD ONLINE, 16 February 2004; "US Groups Demand Sanctions for Illegal Timber Trade," IPS NEWS AGENCY, 5 February 2004; "Malaysia Denies Illegal Timber Trade Claims," PLANETARK NEWS, 16 February 2004.

### **NEW REGULATIONS KEEPING INVASIVES OUT OF BALLAST WATER**

On 13 February over 100 countries signed a UN treaty that seeks to regulate ballast water management in the shipping industry. The two-tiered treaty, 10 years in the making, is sponsored by the UN's International Maritime Organisation (IMO). The first tier includes regulations that apply to all ships, while the second tier gives countries the option to take additional measures before allowing ships to enter their ports. After much deliberation, countries agreed on a phase-in period for different regulations, beginning in 2009 and ending in

2016. However, Andreas Inveteraas, representing WWF, expressed concern that the treaty could be slow to make an impact. "The huge challenge now will be to ratify the treaty -- and that could take years," he said.

Ballast water is taken on by ships to provide balance and stability, but in the process marine species are absorbed and can travel thousands of miles. Once let out in new environments, these alien species can disrupt foreign ecosystems. WWF estimates that 4,000 different species can be carried in a typical ship's ballast at any one time. IMO Secretary General Efthimios Mitropoulos elaborated on the problem, saying that "Unlike oil spills and other marine pollution caused by shipping, exotic organisms and marine species cannot be cleaned up or absorbed into the oceans. Once introduced, they can be virtually impossible to eliminate and in the meantime may cause havoc". For example, the zebra mussel that arrived in the US with ballast water has polluted local water supply and damaged underwater infrastructure, resulting in cleanup costs to the tune of almost USD 1 billion between 1989 and 2000. Experts fear that the problem is worsening due to increased globalisation and international trade, as 90 percent of the world's traded goods are carried by sea. How to deal with alien species was also discussed at the Conference of the Parties to the Convention on Biological Diversity (see related story this issue).

"UN Conference on Ballast Water Opens," UN WIRE, 10 February 2004; "UN Agrees on Laws Against Alien Marine Invaders," REUTERS, 16 February 2004.

### **RULES NEEDED FOR BIOPROSPECTING IN ANTARCTICA, UN**

A recently released report by the Tokyo-based United Nations University notes that rules should be in place to prevent an "unregulated bioprospecting free for all", ie the search for organisms of commercial value, in the Antarctic. According to the report, "bioprospectors are starting to turn their attention to many of the world's last frontiers, such as hydrothermal vents, the deep seabed, the water column of the high seas and polar ice caps... Efforts to exploit this new frontier are now threatening to outpace the capacity of national and international law to regulate...ownership of genetic materials, the issuing of patents...and the potential environmental consequences of harvesting these resources". The report furthermore concludes that the existing Antarctic Treaty System, a set of treaties governing activity on the continent, does not adequately address the issue of bioprospecting. "Bio-piracy is happening. But the piracy isn't illegal because they're not stealing it from anyone, since no one owns it," says Sam Johnston, one of the report's co-authors. 92 patents have been filed in the US and 62 patents have been filed in Europe on organisms in the Antarctic. The UN report also points out that rules should be set globally, and ensure that revenues and research information is shared amongst all members of the treaty. Josh Stevens, a member of the Antarctic and Southern Ocean Coalition, on the other hand doubts that bio-prospecting in the Antarctica should be commercialised at all. "How do you share the profits among the members? It hasn't been possible to set up a system to share revenues for fishing in the region. Bio-prospecting would be even more difficult," he said.

The UNU report "The International Regime for Bioprospecting Existing Policies and Emerging Issues for Antarctica" is available at Internet: [http://www.ias.unu.edu/binaries/UNUIAS\\_AntarcticaReport.pdf](http://www.ias.unu.edu/binaries/UNUIAS_AntarcticaReport.pdf)

"UN Wants Rules Bioprospecting in Antarctica," REUTERS, 3 February 2004; "Antarctica's Resources 'at risk'," BBC, 1 February 2004; "Prospectors start a 'cold rush' to Antarctica," THE AGE, 3 February 2004; "Bio-Pirates of the Antarctic," IPS, 3 February 2004.

### **TRAWLING POSES THREAT TO DEEP-SEA CORALS**

A group of international marine scientists have signed a statement requesting a moratorium on the use of heavy trawling gear and related practices -- including the dragging of heavy chains, nets, and steel plates across the ocean bottom -- which damages corals and sponges on the ocean floor. Scientists want to see the current gear substituted with anchored longlines, which would float above the reefs, causing less impact. Conservationists pointed out that deep-sea coral reefs are also referred to as the 'rain forests of the sea' for their extraordinary biological diversity. It is estimated that between 500,000 and 100 million different species live in the deep seas amongst coral forests and sponge reefs. Some of the deep-sea coral reefs have



just been discovered and are now under heavy pressure due to trawling practices. Deep-sea coral reefs regenerate slowly due to the low water temperatures and often do not recover at all after trawling has occurred. The statement was released concurrently with the 7th Conference of the Parties of the UN Convention on Biological Diversity in Kuala Lumpur, Malaysia (see related story this issue) and the American Association for the Advancement of Science annual meeting in Seattle.

The call for action was supported by a report released by WWF, IUCN and the Natural Resources Defense Council (NRDC) entitled "High Seas Bottom Fisheries and Their Impact on the Biodiversity of Vulnerable Deep-Sea Ecosystems". The report points to bottom trawl fishing on the high seas as the single greatest threat to vulnerable deep-sea environments and biodiversity. At the same time, the report notes that deep-sea trawling fishing only makes up a minor percentage of total global fisheries; thus, the economic effect of protecting deep-sea environments should not be a major concern.

The report is available at:

<http://www.iucn.org/themes/marine/pdf/MattGianni-CBDCOP7-Impact-HS-BottomFisheries-Complete.pdf>

"Deep-sea corals protection call," BBC, 16 February 2004; "Sea bed trawling, the greatest threat to deep-sea biodiversity," IUCN, 10 February 2004; "Stop deep-sea trawls to protect coral, scientists urge," CBC, 16 February 2004.

## REPORT REVEALS ILLEGAL TIMBER TRADING PRACTICES IN MALAYSIA

The Sierra Club, the Defenders of Wildlife, Rainforest Action Network, Greenpeace and other environmental groups have called on the US administration to impose trade sanctions under the US Pelly amendment against Malaysia, unless the country takes steps to stop illegal timber trade. The Pelly amendment allows the US to impose sanctions on nations whose actions diminish the effectiveness of an international conservation programme. A recently released report by the non-profit environmental group Environmental Investigation Agency (EIA) and its Indonesian partner organisation Telapak revealed that Malaysian exports of ramin tree sums-up to more than twice the amount of what the country was able to produce annually. The groups claim that Malaysia illegally imports the tree from Indonesia and then re-exports it, with severe consequences for biodiversity. "Every shipment of illegal Indonesian ramin sold by Malaysia is moving the orang-utans and other species a step closer to extinction", said EIA Director Allan Thorton. The EIA report is accompanied by a video on which Malaysian businessmen explain how they obtain government issued documents to export ramin to China, Taiwan and other destinations, where it is mainly used for the furniture industry.

Under the UN Convention on International Trade in Endangered Species (CITES), the Indonesian government had to ban all cutting and export of the tree in 2001 while Malaysia can still trade ramin with a CITES permit. Despite the ban, the timber is harvested illegally in Indonesia, smuggled to and "washed" in Malaysia before being exported. Indonesian Forestry Minister Muhammad Prakosa noted this as "unfair practice" and called on the European Union to ban Malaysian ramin trade. Malaysia, on the other hand, points to its ban of ramin imports from Indonesia in 2003 to prevent illegal logging. The countries have so far not been able to cooperate on the issue -- blaming each other for not enforcing their laws.

The EIA/Telapak report "Profiting from Plunder: How Malaysia Smuggles Endangered Wood" is available at: <http://www.eia-international.org/cgi/reports/report-files/media67-1.pdf>

---

## 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>. Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies.

**Coming up in the next two weeks**

23-27 February, Kuala Lumpur, Malaysia: FIRST MEETING OF THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE CARTAGENA PROTOCOL ON BIOSAFETY. Substantive issues to be discussed include: decision procedure; information sharing and the Biosafety Clearing-House; capacity-building; handling, transport, packaging and identification; compliance; liability and redress; and monitoring and reporting. For further information, contact the CBD Secretariat, tel: (+1-514) 288-2220; fax: 288-6588; email: [secretariat@biodiv.org](mailto:secretariat@biodiv.org); Internet: <http://www.biodiv.org/meetings/mop-01/>

23-24 February, London, England: SUSTAINABLE DEVELOPMENT IN THE WTO: TRADE, INVESTMENT AND ENVIRONMENT AFTER CANCUN. This international conference is the fifth in the Royal Institute of International Affairs' series on trade, investment, and sustainable development. Challenges to the multilateral trading system in the wake of Cancun will be discussed, including the US and EU response to developing country concerns over agricultural subsidies, the negotiating dynamic of the new G21 grouping of developing countries, and potential conflicts between trade and sustainable development. For further information and to register for the conference contact the Conference Unit tel: (+44-20) 7957-5729; Internet: <http://www.riia.org/index.php?id=5&cid=38>

25 February, Adelaide, Australia: WHY HAVE A WTO? FOCUSING ON THE WELFARE EFFECTS OF WTO LAW. Organised by the Institute for International Business, Economics and Law (The University of Adelaide) and the Sydney Centre for International and Global Law (University of Sydney). Sessions will discuss: accommodating non-economics objectives in WTO law, SPS, food safety and GMOs, and intellectual property. The symposium is an opportunity for lawyers and economists to hear presentations and to engage in discussion on the underlying principles of WTO law. For further information, contact: Marie Gutsche, Institute for International Business, Economics and Law, The University of Adelaide, tel: (+08) 8303-6944; fax: 8303-6948; email: [marie.gutsche@adelaide.edu.au](mailto:marie.gutsche@adelaide.edu.au); Internet: <http://www.iibel.adelaide.edu.au/symposium/index.html> or [http://www.law.usyd.edu.au/centres\\_institutes/SCI/GL/FutureEvents.htm](http://www.law.usyd.edu.au/centres_institutes/SCI/GL/FutureEvents.htm)

25 February, London: SUSTAINABLE DEVELOPMENT PROGRAMME DISCUSSION MEETING. The Sustainable Development Programme of the London-based Royal Institute of International Affairs (RIIA) will hold a meeting entitled "UK Bilateral Investment Treaty Programme and Sustainable Development: Implications of bilateral negotiations on investment at a time when multilateral talks are faltering". Particular attention will be given to the impact of bilateral investment treaties on sustainable development. Attendance is free of charge, but pre-registration is necessary. For further information contact Sam Usiskin, tel: (+44) (0) 20 7957 5711; email: [sustainable-development@riia.org](mailto:sustainable-development@riia.org)

29 February, Johannesburg, South Africa: ACHIEVING AGRICULTURAL DEVELOPMENT THROUGH AGRICULTURAL TRADE. This capacity and communication building seminar is organised by the International Food & Trade Policy Council (IPC). The seminar will bring together government officials, farmers, and other agricultural stakeholders in the region to discuss the role that agricultural trade can play in economic development and to relate that role to trade negotiations at the multilateral, regional and bilateral levels. For further information, contact IPC Communications Director, Kari Heerman at [heerman@agritrade.org](mailto:heerman@agritrade.org); tel: (+1 202) 328-5056 Internet: <http://www.agritrade.org>

2-5 March, Concepcion, Chile: GLOBAL BIOTECHNOLOGY FORUM. Organised by the United Nations Industrial Development Organisation (UNIDO) and the Government of Chile. Sessions will focus on the applications of biotechnology in agriculture and the food processing industries including related considerations with regards to socio-economics and environmental and human health impacts of transgenic technologies. For further information, contact: email: [gbf2004@udec.cl](mailto:gbf2004@udec.cl); Internet: <http://www.gbf2004.cl/index1.html>

## Other Forthcoming Events

4-5 March, Brussels, Belgium: REMAKING THE GLOBAL TRADING SYSTEM. This conference, organised by the Greens/European free alliance, will be held in the European Parliament. It will focus on opportunities to redefine the global trading system with more emphasis on fair trade and sustainable development. Expected discussions include structural and procedural reforms that may be available within the stalled trade talks of the WTO. Advanced registration is necessary for security reasons. For more information, contact: email: [GreensTradeConference@europarl.eu.int](mailto:GreensTradeConference@europarl.eu.int); Internet: <http://www.greens-efa.org/en/>

11 March, Oaxaca, Mexico: MAIZE AND BIODIVERSITY: THE EFFECTS OF TRANSGENIC MAIZE IN MEXICO. Organised by the Commission for Environmental Cooperation (CEC). The symposium will address key questions in relation to transgenic maize production in Mexico. Issues for discussion include the impacts on environmental, agricultural, animal and human health. Expected participants include members of the public, academia and governments. The Maize and Biodiversity Symposium is an integral part of the CEC's investigation and an opportunity for the public to engage in the process. For further information, contact the CEC Secretariat: tel: (+1 514) 350-4300 fax: 350-4345; email: [meetingservices@ccemtl.org](mailto:meetingservices@ccemtl.org); Internet: [http://www.cec.org/pubs\\_docs/documents/index.cfm?varlan=english&ID=1405](http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=1405)

26-27 March, East Lansing, Michigan, US: INTELLECTUAL PROPERTY, SUSTAINABLE DEVELOPMENT AND ENDANGERED SPECIES: UNDERSTANDING THE DYNAMICS OF THE INFORMATION ECOSYSTEM. Organised by Intellectual Property & Communications Law Program, Michigan State University-DCL College of Law. The conference will bring together property scholars, communications policy experts, property theorists, economists, political scientists, environmental activists, and policymakers from WIPO and the WTO in order to discuss and explain complex information ecosystems. Among the issues addressed are the balance between intellectual property protection and the public domain, broadband platforms and media access, the tension between real and intellectual property theories, biological and cultural diversity, technology transfer among developed and less developed countries, and open-source software and innovation barriers. For further information, contact: Chloe Berwind-Dart, tel: (+1 517) 432-6975; email: [berwindd@law.msu.edu](mailto:berwindd@law.msu.edu); Internet: <http://www.law.msu.edu/calendar/indexResponse.php>

7-8 April, New Delhi, India: SECOND ASIAN CONFERENCE ON BIOTECHNOLOGY AND DEVELOPMENT. Organised by Confederation of Indian Industry (CII), Research and Information System for the Non-Aligned and Other Developing Countries (RIS) and The World Conservation Union (IUCN). Participants at the conference will discuss *inter alia* agriculture, food security and economic contribution of biotechnology. Furthermore, the conference will assess the lessons learned from public-private partnership in financing of biotechnology in Asia; implementation of the biosafety protocol, national legislations and other regulatory issues. For further information, contact: tel: (+91 11 246) 821-7780; fax: 821-7374; email: [dgoffice@ris.org.in](mailto:dgoffice@ris.org.in); Internet: <http://www.ris.org.in>

10 May, Szentendre, Hungary: SEMINAR ON THE RELATIONSHIP BETWEEN MEAS AND WTO RULES. Organised by Ecologic – Institute for International and European Environmental Policy in co-operation with the Royal Institute of International Affairs (RIIA) and the Regional Environmental Centre for Eastern and Central Europe (REC). This is a one-day seminar aimed at raising the awareness within civil society of international and European trade policy, especially the relationship between Multilateral Environmental Agreements and WTO rules. For more information, contact: Markus Knigge; tel: (+49 30) 8688-00; email: [knigge@ecologic.de](mailto:knigge@ecologic.de); Internet: <http://www.ecologic-events.de/eu-trade-policy/en/index.htm>

## 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 Marianne Jacobsen, [mjacobsen@ictsd.ch](mailto:mjacobsen@ictsd.ch).

TWENTY-FIVE WAYS TO IMPROVE THE DERBEZ DRAFT ON AGRICULTURE. By the International Food & Agricultural Trade Policy Council (IPC) 2004. The IPC has assessed the Derbez proposal against the dual goals of furthering agricultural reform and achieving the development objectives of the Doha Round. The paper includes a side-by-side comparison of the major proposals issued since March 2003. For further information, see: <http://www.agritrade.org/Doha/Derbez/Assessment%20Paper.pdf> or contact IPC at [agritrade@agritrade.org](mailto:agritrade@agritrade.org).

"Determining the Trade-Environment Composition Effect: The Role of Capital, Labour and Environmental Regulations" by Matthew A. Cole and Robert J. R. Elliott ENVIRONMENTAL ECONOMICS AND MANAGEMENT 46 (3, 2003) pp. 363-383. This paper argues that pollution-intensive sectors may be subject to opposing forces of comparative advantage since these sectors are also typically capital intensive, yet regions with low environmental regulations tend to be those that are the least capital abundant. We examine therefore, whether compositional changes in pollution arising from trade liberalisation originate due to differences in capital-labour endowments and/or differences in environmental regulations.

"Trade Liberalisation, Corruption, and Environmental Policy Formation: Theory and Evidence" by Richard Damania, Per G. Fredriksson, John A. List in ENVIRONMENTAL ECONOMICS AND MANAGEMENT 46 (3, 2003) pp. 490-512. This study explores the linkages between trade policy, corruption, and environmental policy. We begin by presenting a theoretical model that produces several testable predictions, including: (i) the effect of trade liberalisation on the stringency of environmental policy depends on the level of corruption; and (ii) corruption reduces environmental policy stringency. Using panel data from a mix of developed and developing countries from 1982 to 1992, we find evidence that supports these conjectures. We view these results as representing an attempt at understanding the myriad of complex relationships that exist in an open economy.

"Developing Countries' Changing Participation in World Trade," by Will Martin in WORLD BANK RESEARCH OBSERVER 18 (2, 2003) pp. 187-203. Recent years have seen substantial reductions in trade policy and other barriers inhibiting developing country participation in world trade. Lower barriers have contributed to a dramatic shift in the pattern of developing country trade -- away from dependence on commodity exports to much greater reliance on manufactures and services. In addition, exports to other developing countries have become much more important. These changes have profound implications for the role played by developing countries in the world economy and trade system.

AFRICAN PERSPECTIVES ON GENETIC RESOURCES: A HANDBOOK ON LAWS, POLICIES AND INSTITUTIONS. Jointly published by the African Union Scientific, Technical and Research Commission (STRC), the Environmental Law Institute (ELI), and the Southern Environmental & Agricultural Policy Research Institute (SEAPRI), edited by Kent Nnadozie, Robert Lettington, Carl Bruch, Susan Bass, and Sarah King, 2004. The book examines the lessons learned from the legal, policy and institutional approaches that twelve African countries - Cameroon, Côte d'Ivoire, Egypt, Ethiopia, Kenya, Madagascar, Nigeria, Senegal, the Seychelles, South Africa, Uganda, and Zambia - have pursued in governing access to genetic resources and benefit sharing. Drawing upon national and regional experiences - including those of the African Union (AU) and the Southern African Development Community (SADC) - the book surveys practical mechanisms and approaches for managing access to genetic resources and traditional knowledge, and benefit sharing including related intellectual property rights issues. For further information, please see: [http://www.elistore.org/reports\\_detail.asp?ID=10953](http://www.elistore.org/reports_detail.asp?ID=10953)

WTO AND DEVELOPING COUNTRIES. By Homi Katrak and Roger Strange, Palgrave Macmillan, November, 2003. This book shows how large an impact the WTO has on developing countries. It assesses the subsidies given and shows how they will be affected by trade liberalization. It looks in particular at the TRIPS agreement and assesses the costs and benefits that it will have for developing countries. Many of the chapters are versions of papers presented at The WTO and Developing Countries conference, held at King's College London in September 2002. It combines contributions non-governmental organizations such as Save

the Children, Oxfam and Action Aid, as well as those from academics in the field. For further information, see: <http://www.palgrave-usa.com/catalog/product.aspx?isbn=1403903441>

INTERNATIONAL GOVERNANCE OF BIODIVERSITY: INVOLVING USERS OF GENETIC RESOURCES. By Sélim Louafi, Jean-Frédéric Morin, 2003. "Ten years after the signing of the Convention on Biological Diversity (CBD), the objective of fair and equitable sharing of the benefits arising from the utilization of genetic resources -- one of the three objectives of this convention — is far from being achieved and continues to stir up discussions. The current international context is based on a private-law approach-- contracts on access to genetic resources and the sharing of benefits tied to their utilisation. For further information, see: [http://www.iddri.org/iddri/telecharge/syntheses/sy05\\_abs\\_eng.pdf](http://www.iddri.org/iddri/telecharge/syntheses/sy05_abs_eng.pdf)

HALTING THE LOSS OF BIODIVERSITY IN EUROPE. (Briefing No 1/2004). Published by European Environment Agency (EEA). This briefing focuses on the urgent need for information based on monitoring and indicators to support the achievement of a significant reduction in the rate of biodiversity loss by 2010 and the EU's more ambitious goal of halting the loss of biodiversity by 2010. For further information, see: [http://reports.eea.eu.int/briefing\\_2004\\_1](http://reports.eea.eu.int/briefing_2004_1)

"Developing countries' changing participation in world trade," by Will Martin in WORLD BANK RESEARCH OBSERVER 18 (2, 2003) pp. 187-203. Recent years have seen substantial reductions in trade policy and other barriers inhibiting developing country participation in world trade. Lower barriers have contributed to a dramatic shift in the pattern of developing country trade -- away from dependence on commodity exports to much greater reliance on manufactures and services. In addition, exports to other developing countries have become much more important. These changes have profound implications for the role played by developing countries in the world economy and trade system.

SOUTHEAST ASIAN CONFERENCE ON SUSTAINABLE FISHERIES MANAGEMENT AND TRADE REPORT. Published by Tambuyog Development Center, 2004. The Southeast Asian Conference on Fisheries Management and Trade aims to orient participants from various non-government and people's organizations in the Southeast Asia region on issues pertaining to Fisheries management and trade within the overall context of building and strengthening regional partnerships. It shall analyze current Fisheries and trade issues from different perspectives, work towards the development of a common standpoint built upon the commonalities of existing local and national standpoints and shall culminate in the drafting of a statement of concern that embodies the collective aspirations of the participants. For the report, please email: [admin@tambuyog.org](mailto:admin@tambuyog.org) or for further information, please see: [www.tambuyog.org](http://www.tambuyog.org)

THE REHABILITATION OF THE DELTA OF THE SENEGAL RIVER IN MAURITANIA: FIELDING THE ECOSYSTEM APPROACH. By Olivier Hamerlynck & Stéphanie Duvail. Published by World Conservation Union (IUCN), 2004. The restoration of the Diawling delta in Mauritania over the past eleven years has improved the livelihoods of its inhabitants by bringing back the biodiversity that was lost. "The Diawling project shows that the ecosystem approach, when applied to the restoration of a severely damaged wetland, can have very positive effects on both livelihoods and biodiversity", says Dr. Olivier Hamerlynck. The latest study underlines how the artificial flooding of the delta has brought back a diverse delta ecosystem, and how its products again provide the inhabitants with a livelihood. For further information, see: [http://www.iucn.org/themes/wetlands/pdf/diawling/Diawling\\_GB.pdf](http://www.iucn.org/themes/wetlands/pdf/diawling/Diawling_GB.pdf)

### Electronic Resources

ASIA BIO-NET LAUNCHED. The U.N. Food and Agriculture Organization's Regional Office for Asia and the Pacific (FAO RAP) has launched Asia Bio-Net, the official web site for its Thailand-based project "Capacity Building in Biosafety of GM Crops in Asia." The website provides information about the FAO RAP project and contains the 28-page proceedings of its first regional consultation, held on 7-10 July 2003 in Bangkok. The project is designed, according to the website, to assist countries in the region to safely harness "the benefits of biotechnology in accordance with relevant global agreements." The Japanese

government is the principle donor for the project, which will run until April 2005. The website is available at the link below. <http://asiabionet.org/>

*BRIDGES Trade BioRes*© is published by the International Centre for Trade and Sustainable Development (ICTSD), <http://www.ictsd.org>, in collaboration with IUCN - World Conservation Union, <http://www.iucn.org>, and IUCN's Commission on Environmental, Economic and Social Policy, CEESP, <http://www.iucn.org/themes/ceesp/index.html>. This edition of *BRIDGES Trade BioRes* was edited by Marianne Jacobsen, [mjacobsen@ictsd.ch](mailto:mjacobsen@ictsd.ch). Contributors to this issue were Heike Baumüller, Marianne Jacobsen and Evelyn Kislig. The Managing Editor is Heike Baumüller and The Director is Ricardo Meléndez-Ortiz, [rmelendez@ictsd.ch](mailto:rmelendez@ictsd.ch). ICTSD is an independent, not-for-profit organisation based at: 13, ch. des Anémones, 1219 Geneva, Switzerland, tel: (41-22) 917-8492; fax: 917-8093. Excerpts from *BRIDGES Trade BioRes* may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editors or the Director. *BRIDGES Trade BioRes* is made possible in 2003 through the generous support of the Swiss Agency for the Environment, Forests and Landscape (BUWAL). It also benefits from ICTSD's core funders: the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK), the Rockefeller Foundation, MISEREOR, NOVIB (NL), Oxfam (UK) and the Swiss Coalition of Development Organisations (Switzerland). ISSN 1682-0843

To subscribe to *BRIDGES Trade BioRes*, please send a blank email to [subscribe\\_biores@ictsd.ch](mailto:subscribe_biores@ictsd.ch).

To become a member of the CEESP Working Group on Environment, Trade and Investment, please send an email to: [mjacobsen@ictsd.ch](mailto:mjacobsen@ictsd.ch)