



Bridges Trade BioRes

News, events and resources at the intersection of trade and biodiversity

Issue: 30 June 2006

Fisheries.....	1
WTO Talks On Fisheries Inch Towards Middle Ground	
Conservationists Hold Whalers At Bay	
Intellectual Property	4
Model Agreement Adopted For Access & Benefit-Sharing Of Genetic Resources.....	
WTO	6
Trade Ministers Meet For Last-ditch Shot At WTO Deal	
In Brief.....	8
Events & Resources.....	10

To subscribe to *Bridges Trade BioRes*, send an email to biores@ictsd.ch

Fisheries

WTO TALKS ON FISHERIES INCH TOWARDS MIDDLE GROUND

WTO Members signalled a slight narrowing of their differences on fisheries subsidies during meetings of the Negotiating Group on Rules from 12-16 June. The debate focused on key questions such as which kinds of grants contribute to overcapacity and overfishing and how to provide special and differential treatment for developing countries. While several sources deemed the talks "constructive," broad disagreement remains, particularly over subsidies that directly lower the costs of fishing.

Overfishing vs. overcapacity

Proposals to limit fisheries subsidies are often described as focusing either on overcapacity or overfishing. In the first case, rules would address the subsidisation of fishing capacity, such as the construction or modification of fishing vessels. Disciplines on overfishing would address subsidies for fishing activities, such as provisions of fuel, ice, and bait.

In negotiations, Members agreed that rules should constrain fishing capacity, but Members were unable to decide on how to deal with practices that lead to overfishing. Brazil and New Zealand would like to address subsidies aimed at both problems. A submission by the EU (TN/RL/GEN/134) and a joint one by Japan, Korea, and Taiwan (TN/RL/GEN/114/Rev.1) specifically target overcapacity by addressing fishing vessel construction, modification, and overseas transfers. Sources indicate that these countries believe that addressing overcapacity would inevitably curb problems with overfishing, because fewer boats would translate into less fishing.

However, several delegates commented that the problem is about "more than just boats." A recent report by environmental group WWF suggested that "it is plain nonsense to propose rules that discourage overcapacity while allowing the direct subsidisation of overfishing itself." In the report, which caused a stir in the negotiations, the WWF called for WTO Members to ban the most damaging subsidies, subject the remaining subsidies to effective disciplines and make the rules enforceable.

Another major challenge for the group is how to devise rules on transparency with regard to fisheries subsidies. While several proposals would require countries to notify subsidies to the WTO, Members

have not reached consensus on exact provisions. According to one source, "everyone agrees on the need for transparency, but once we start discussing actual language different perspectives emerge."

Moving forward by simplifying, clarifying, elaborating

Nevertheless, forward movement was apparent on several fronts. A new version of draft text from Brazil (TN/RL/GEN/79/Rev.3), which was revised based on comments from several Members, attempts to simplify the debate by replacing certain labels and categories of subsidies with more explicit language based on the aim of the subsidy (see Bridges Trade BioRes, 19 May 2006, <http://www.ictsd.org/biores/06-05-19/story1.htm>). For example, the proposal distills the traditional three categories of subsidies (permitted, actionable which could be legally challenged, and prohibited) into two categories -- prohibited ones and those that would "be exempted from the prohibition." In addition, the proposal replaces references to 'artisanal' and 'small-scale' fishing with more descriptive language, such as "fishing activities related to the subsistence of the fishermen and their families."

Another change in Brazil's proposal addresses the issue of whether a payment from one government for the right to fish in another government's jurisdiction (so-called 'access rights') constitutes a subsidy. Several small and vulnerable coastal economies have called for fees from selling access rights to be exempt from disciplines because they constitute an important source of government revenue. The revised proposal specifies that a subsidy would be deemed to exist in cases where a government purchases access rights and transfers them to its domestic fishing industry free-of-charge, as opposed to selling or auctioning them off.

New Zealand's submission (TN/RL/GEN/141) added several items to the list of exceptions to a broad ban on fisheries subsidies that it had proposed in an earlier submission (TN/RL/GEN/100). Financial transfers would, according to the additions, be allowed for vessel decommissioning programmes; conservation activities; infrastructure; social programmes for fishermen; and disaster relief. The proposal also includes new provisions for 'artisanal' fishing -- defined as traditional fishing activity related to the subsistence of fishermen and their families -- and

vessel and crew safety. One delegate argued that the expansion of the list would move the negotiations towards a more meaningful discussion about what specific payments would be prohibited.

S&D charts new course

The discussion on special and differential treatment (S&D) also advanced slightly. S&D has posed a particular challenge for WTO members since some developing countries are major fish harvesters, and extending S&D to them on equal terms as other developing countries could undermine the effectiveness of any new fisheries rules.

One approach, proposed by Japan, Taiwan and Korea, has been to apply S&D only to those developing countries that account for less than a minimum percentage of the world market share of fish, or which have catches that fall below a certain weight threshold. In contrast, the EU would exempt developing countries from rules on subsidies providing they do not increase fishing capacity "to the extent that it is an impediment to the sustainable exploitation of fishery resources worldwide." Brazil would allow S&D for all developing countries on the condition that, among others, subsidies are forbidden for fisheries that are overexploited, depleted, or recovering according to the UN Food and Agriculture Organisation (FAO).

Argentina submitted an alternative proposal for the treatment of developing countries (TN/RL/GEN/138). Asserting that S&D should be "responsible," "selective," "limited" and "transparent," the proposal would allow developing countries to use subsidies for fishing vessel construction, repair, and gear acquisition or improvement; fishing efforts that do not cause 'serious prejudice' to another WTO Member's interests; and 'artisanal' fisheries (defined as fishing activities relating to the subsistence of fishers and their families). Eligibility for S&D would be subject to certain conditions, such as compliance with notification and transparency provisions and the presence of a national fisheries management system. One source called the Argentine proposal "a good basis for moving forward".

EU subsidy package raises concerns

The Rules Group adjourned only days before a crucial decision by EU fisheries ministers. On 19 June, the European Commission announced that it

had approved a new European Fisheries Fund that would provide EUR 3.8 billion in subsidies over seven years as part of the reform of the common fisheries policy (CFP). The agreement established certain categories of eligible subsidies, such as grants for the modernisation of fishing vessels. Some EU member states had opposed the plan on the grounds that it would promote overfishing (see Bridges Trade BioRes, 2 June 2006, <http://www.ictsd.org/biores/06-06-02/story2.htm>). Organisations including WWF have expressed concern that the policy could threaten the marine environment, strongly affect the positions Brussels takes in WTO negotiations and could even compromise the competitiveness of the fishing industry by undermining profitability, innovation and enhancing dependency on state aid.

WWF's "The Best of Texts, the Worst of Texts" is available at http://www.panda.org/news_facts/publications/index.cfm?uNewsID=72220

ICTSD reporting; "Friends of Fish Denounce EU Aid Package," FINANCIAL TIMES, 17 June 2006; "WWF Statement On The Adoption Of The European Fisheries Fund," WWF, 19 June 2006; "The Best Of Texts, The Worst Of Texts," WWF, June 2006.

CONSERVATIONISTS HOLD WHALERS AT BAY

Although pro-whaling countries were able to get a declaration approved calling the international moratorium on whaling "no longer necessary", pro-moratorium countries held the day on all substantive issues at the 58th annual meeting of the International Whaling Commission (IWC) meeting on 16-20 June. During the meeting, held in St. Kitts and Nevis, several proposals for substantive changes to IWC rules from Japan, Norway and Iceland -- the principal opponents of the moratorium -- failed to garner sufficient support from member countries. The pro-conservation countries, including Australia, Argentina, New Zealand, France, Germany, the US and the UK, believe that the IWC should continue to uphold the moratorium and a conservation focus (see Bridges Trade BioRes, 24 June 2005, <http://www.ictsd.com/biores/05-06-24/story4.htm>). Nonetheless, the adoption of a declaration in favour of commercial whaling for the first time in twenty years sent waves through the environmental community, leading one advocate activist to suggest the survival of whales was "hanging on by a string".

The declaration

After heated discussions, IWC member countries adopted the "St Kitts and Nevis Declaration" in reaction to concerns expressed by Japan, Norway and Iceland that the IWC had deviated from its original purpose. According to the International Convention for the Regulation of Whaling (ICRW) 1946, under which the IWC meets annually, the aim of the Convention and its meetings is to "provide for the proper conservation of whale stocks and thus make possible the orderly development of the whaling industry". The pro-whaling groups argue that the moratorium on commercial whaling which was adopted by the IWC in 1982 was a temporary measure that is no longer necessary because whale stocks have recovered. They pointed to evidence from the IWC's Scientific Committee to corroborate their allegation that many species and stocks of whales have sufficiently recovered from the 1980s levels to be commercially whaled. In addition, they argued that whaling is essential in many countries for sustainable coastal communities, sustainable livelihoods, food security and poverty reduction. They suggested that that management and rule-making based on emotional reasons, rather than science, would set a bad precedent for fisheries and natural resource use.

To further support their case, the countries that want whaling legalised added that whales contribute to depleting fish stocks. They described the campaigns of international non-governmental organizations to preserve the ban as "self-interested" and "unacceptable", and called in the declaration for the functions of the IWC to be "normalized" on the basis of international law, respect for cultural diversity and science-based policy and rule-making.

The declaration was adopted by 33 votes against 32, with one abstention. Although Japan and Norway claimed that this reflected increasing support for the fact that whale stocks have recovered to sustainable levels, critics alleged that several small impoverished countries are being won over to Japan's side by incentives of financial aid. The moratorium, which will continue to be in place, would require a 75 percent vote to be abolished.

In spite of the moratorium, Japan in 2005 caught over 1000 whales under a special permit exemption under the ICRW for scientific whaling. Norway continues to flaunt the 1982 ban through open whaling.

Pro-conservation countries prevail on policy

Australia, the US, the UK and several other countries argued forcefully that there is still an urgent need to 'save the whales'. They contend that in the face of dwindling whale meat demand by consumers in Japan and the inability to meet the quota for indigenous group hunting in Greenland, there is no need for hunting whales or increasing quotas. In moves that suggested that most countries in practice support their position, a number of proposals from pro-whaling countries were voted down. In particular, a move by Japan to exclude small cetaceans, such as dolphins and porpoises, from the IWC's jurisdiction failed by 32 votes against 30. The Japanese call to move decision-making to secret ballots, which they argue would allow small Caribbean and Pacific countries to vote in favour of whaling without fear of reprisals, was voted down with a majority of 33 votes. Their third proposal, to allow small coastal communities to kill minke whales, was rejected 31 to 30. On a proposal to eliminate the Southern Ocean Whale Sanctuary, the rejection came from 33 against 28. In each of the cases, the difference between the votes that enabled the pro-moratorium countries to prevail over the anti-moratorium countries came from the abstentions of China, Kiribati, South Korea, and the Solomon Islands, which had earlier voted in favour of Japanese proposals.

Reactions confrontational

While Japanese delegates described the St. Kitts and Nevis Declaration as a "big step forward", Australian Environment Minister Senator Ian Campbell called it "a toothless statement of frustration." Similarly, Ben Bradshaw, Britain's Minister for Local Environment, Marine and Animal Welfare, said it was "completely inexplicable that Japan, Norway, and Iceland continue to push for a resumption of commercial whaling," adding that it had impacts on Japan's international reputation. "We are saddened and disappointed that instead of building consensus on difficult issues, this declaration has brought both sides to the brink of open conflict," said Susan Lieberman, director of WWF's Global Species Programme. Shane Rattenbury, head of the Greenpeace International Oceans Campaign, argued that "the whale hunt is bankrupt on all counts: politically, financially, morally, ecologically and scientifically". Pointing to research from the Nippon Research Center that indicated that 77 percent of Japanese citizens do not support whaling on the high seas, Greenpeace has

said that it will continue its mobilisation against Japanese boats in the Southern Ocean. According to a report by the IWC Scientific Committee presented at the meeting, there is evidence of increases in the populations of humpback, blue and right whales in the Southern Hemisphere, although they remain at reduced levels compared to their pre-whaling numbers.

The next meeting of the IWC will be held in Anchorage, Alaska from 4-31 May 2007.

Additional Resources

The St Kitts and Nevis Declaration is available at http://www.iwcoffice.org/_documents/commission/IWC58docs/Resolution2006-1.pdf

Daily reporting is provided by the IWC press releases available at <http://www.iwcoffice.org/meetings/meeting2006.htm>

"Whalers fail to harpoon conservation and at the International Whaling Commission," GREENPEACE, 19 June 2006; "Japan loses bid to resume commercial whaling," ENVIRONMENT NEWS SERVICE 22 June 2006; "Whale survival at stake in war over commercial whaling," ENVIRONMENT NEWS SERVICE 22 June 2006; "Greenland seeks to hunt humpback, bowhead whales," REUTERS 19 June 2006; "Japan defeated on whaling, green groups relieved," REUTERS 19 June 2006; "Japan wins first pro-whaling vote in two decades," REUTERS 19 June 2006.

Intellectual Property

MODEL AGREEMENT ADOPTED FOR ACCESS & BENEFIT-SHARING OF GENETIC RESOURCES

After two years of negotiations, a model contract to facilitate access and benefit sharing of genetic resources was agreed to at the first session of the governing body of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) on 12-16 June. The Standard Material Transfer Agreement (SMTA) was adopted by Parties to the Treaty as a guide for legal contracts to facilitate access and standardize benefit-sharing requirements for the 35 different crops covered by the multilateral system established by the ITPGRFA. Under the transfer agreement, companies who sell patented seeds from ITPGRFA material are required to pay 1.1 percent of their revenue to the providers of genetic resources.

Many seed varieties around the world are held in seed banks, which are owned by governments, companies or international agricultural research bodies. These seed banks tell the Secretariat of the

ITPGRFA that they are contributing their varieties of the covered crops to the multilateral system. Although the seeds themselves will physically stay at the seed bank, they will then fall under the jurisdiction of the multilateral system. Under that system, any plant breeding company, farmer or research institute that wants access to the seed for plant reproduction will have to sign a material transfer agreement modelled on the SMTA as a legal contract necessary for access. This system will build on the previous regime for plant genetic resources, the original International Undertaking for Plant Genetic Resources for Food and Agriculture (see Bridges Trade BioRes, 22 November 2001, <http://www.ictsd.org/biores/01-11-22/story4.htm>), by setting out terms not only for access, but also benefit-sharing.

The ITPGRFA was negotiated under the auspices of the UN Food and Agriculture Organization and entered into force in June 2004. The Treaty aims to ensure the conservation and sustainable use of plant genetic resources for food and agriculture and equitable benefit-sharing, in harmony with the Convention on Biological Diversity, for sustainable agriculture and food security. It was the first legally-binding international agreement to explicitly recognize Farmers' Rights as including the right to save, use, exchange and sell farm-saved seed. The Multilateral System (MS) is one part of the treaty, and aims to establish facilitated access to a list of plant genetic resources on the basis of fair benefit-sharing. Negotiations on the SMTA, as the model contract to access these resources, began in 2004 in an expert group and, later, a contact group (see Bridges Trade BioRes, 19 May 2006, <http://www.ictsd.org/biores/06-05-19/inbrief.htm>).

Scope of coverage

A key issue in the negotiations was how to define the "product" that would be covered by the SMTA. There was consensus that commodities and other products used for food, feed and processing (such as wheat grain) should be excluded, leaving only seeds for plant reproduction. However, debate continued regarding how to deal with plant genetic resources for food and agriculture (PGRFA) under development, with Asian countries arguing that these transfers should be subject to benefit-sharing requirements. A last-minute deal was struck that specifies that benefit-sharing requirements would not be required for transfers of such material. Instead a new category of "PGRFA under

development" was created, where transfers from one company to another would be allowed, a new transfer agreement would be required to cover the transfer, the company making the transfer would be allowed to charge for the material under development, but no benefit-sharing payments would be required. This would enable, for example, one plant breeder to begin development of a variety, then transfer it to another breeder for the completion of the breeding process. Once this second breeder commercialised the resulting seed, it would then be required to share the benefits.

Benefit-sharing required once commercialised

The benefit-sharing requirements are triggered only if the recipient of material covered by the multilateral system "commercializes a product that is a PGRFA and incorporates MS material" and only if the product "is not available without restriction to others for further research and breeding". This means that commercialisation for chemical, pharmaceutical and industrial products are not included and that only products that use the material covered by the multilateral system are included. The "restriction" clause means that benefit-sharing of revenue from commercialisation is only necessary if others can't also commercialise the variety that has been developed.

While future sessions of the Governing Body would have to clarify what type of "restriction" would trigger benefit-sharing requirements, it would clearly be the case, for example, if the variety has been patented; if the company selling the seed doesn't have a patent for it but nonetheless requires farmers to sign strong contracts that forbids them from replanting or breeding the seed; or for technical restrictions, such as genetic use restriction technologies (GURTS, also known as "terminator technologies"). This would cover seed varieties in the US and GM seeds, which are generally covered by patent protection. The SMTA also stipulates that once a patent expires, the company who sold it should give the seed to the multilateral system to ensure that the genetic material does not get "lost".

The payment schemes

The SMTA recognises legal consent to the agreement by 'clicking' online to order a seed or by ripping open a seed package ("click-wrap" and "shrink-wrap" respectively) in addition to a physical signature on a paper contract. Once signed, the contract would require the recipient to make

benefit-sharing payments for covered products commercialised under restriction, and the money which would go into a fund administered by the Governing Body for distribution to farmers and other providers of genetic resources. The payment requirements are calculated as percentages of revenues from commercialisation minus thirty percent, with the latter deduction incorporated to allow for transportation, marketing and related costs.

There are two possible payment schemes that recipients can choose from. The first, proposed by the EU, would require the recipient to pay 1.1 percent of the revenues (minus thirty percent) from the restricted commercialisation of a particular variety that is based on material from the international system. Under an alternative option, a company could decide to pay 0.5 percent of revenues from commercialisation on all of its varieties which are covered by the multilateral system, regardless of whether their commercialisation has been restricted or whether the varieties contain material provided by the multilateral system. This latter option, which was a last-minute addition from African countries, would enable the multilateral system to generate income right away and allow companies to issue an overall payment.

Notification, arbitration processes established

After debate on whether the dispute resolution process should include a binding arbitration option, delegates decided to adopt a three-stage process that allows the provider or recipient of the genetic resources, or the Governing Body, to initiate amicable negotiations between the two parties to the MTA; mediation by a mutually-agreed third party; and binding arbitration under the auspices of an international dispute body such as the International Criminal Court using experts from a list set up by the FAO.

In a separate resolution, delegates agreed that the FAO would take on the legal responsibilities of the Governing Body between the meetings of the latter. As part of the SMTA, the recipient of the genetic resources has to inform the FAO, as the "third party beneficiary" representing the Governing Body, that the SMTA has been signed; if the genetic resources have been transferred to anyone; of any commercialisation; and, in reaction from developing country demands, all the non-confidential research and development information conducted with the

resources. This will enable developing countries to access information about the potential value of a plant variety, such as whether it is resistant to drought or salinity. Notwithstanding initial opposition from African, Latin American and Asian countries, delegates from North America and the Southwest Pacific succeeded in taking out a reference to reporting requirements on intellectual property rights obtained on plant varieties developed using material from the international system.

Additional Resources

The text of the SMTA will be available online at <http://www.fao.org/AG/cgrfa/Default.htm>

For daily coverage of the Governing Body meeting provided by Earth Negotiations Bulletin, see <http://www.iisd.ca/biodiv/itpgrgb1/>

ICTSD Reporting: ENB, 19 June 2006, Vol 9 No. 369.

WTO

TRADE MINISTERS MEET FOR LAST-DITCH SHOT AT WTO DEAL

Ministers meeting in Geneva from 29 June to 3 July will have to overcome substantial disagreements if they are to finalise an elusive WTO trade deal this year. Negotiations are likely to focus on US farm subsidies, EU agricultural tariffs and developing country industrial tariffs. WTO Director-General Pascal Lamy has long identified these as a 'triangle' of issues on which more movement is needed if a breakthrough is to be achieved. On 30 June, he suggested that the high-level meeting was likely the last opportunity to make key decisions necessary for the Doha Round trade talks to be finalised by the year-end target.

The intensive talks are being held in the awareness that, if the talks are not completed by the end of 2006, it may be difficult for the WTO to reach any agreement in coming years because the Bush administration's authority to negotiate and submit trade deals to Congress as a yes or no vote, without the possibility of major amendments, expires in early 2007. The so-called "mini-ministerial" is thus the most major WTO meeting since the Hong Kong Ministerial Conference in December 2005 (see Bridges Trade BioRes, 9 December 2005, <http://www.ictsd.org/biores/05-12-09/story3.htm>), with some trade sources suggesting that it might be even more important to the future of the organisation.

A deal on numbers and rules in agriculture and NAMA negotiations will enable WTO Members to take up other issues critical to sustainable development including fisheries subsidies, environmental goods and services, disclosure requirements in patent applications and services negotiations.

Agriculture negotiations a major sticking point

A draft agriculture text circulated on 22 June highlights the hundreds of outstanding issues on which WTO Members differ. The 74-page document includes almost every proposal put forward by negotiators in recent months, reflecting persistent divergences that have prevented consensus text from emerging. Ministers are expected to focus on a few key political issues that are crucial to unlocking the stalemate, rather than working through the draft from start to finish.

On market access for agricultural products, countries differ dramatically on the tariff cuts which developed and developing countries should make. The US has proposed slashing average farm tariffs by 66 percent, and the G-20 group of developing countries led by Brazil and India has called for a 54 percent cut. While the EU has claimed their own proposal would involve a 46 percent reduction, others say it would only amount to 39 percent. Members have rejected the chair's suggestion that consensus may be likely to emerge somewhere in the region of the G-20 proposal.

Also contentious is the number and treatment of 'sensitive products' – a category of products which developed and developing countries will be allowed to earmark for shallower tariff cuts because of any number of political or economic reasons. The G-10 group of countries with highly-protected farm sectors wants 15 percent of dutiable tariff lines to be eligible, but the US, G-20 and Cairns Group of farm exporters seek a 1 percent limit. The EU proposes 8 percent coverage.

Members will also debate 'special products', which developing countries alone will be able to shield from tariff cuts so as to promote food security, livelihood security and rural development. The G-33 developing country group seek substantial flexibility in this area, although exporters such as Thailand and Malaysia argue that this could affect South-South trade. The US is also opposed. Divisions also exist on the 'Special Safeguard

Mechanism' -- a new tool for developing countries to defend themselves against import surges.

Ministers will also address subsidies, known as 'domestic support', where they have already agreed to classify themselves into three tiers: first the EU, with the highest subsidies and thus slated for the deepest cuts; second, the US and Japan; and third, all other countries. Overall trade-distorting domestic support will be cut, so subsidies are not simply shifted between permitted categories -- but Members disagree on the depth of reductions. The G-20 wants the EU to slash subsidies by 80 percent and the US and Japan to do so by 75 percent. The EU has proposed it cuts its own subsidies by 70 percent, and that the US and Japan make a 60 percent reduction. Both the US and G-10 want the EU to make a 75 percent cut; but the US suggests a 53 percent cut for themselves and Japan. The US has come under heavy pressure to improve its subsidy offer.

Ministers will also tackle subsidies with the most trade-distorting effect ('amber box'), those with a lesser trade-distorting effect ('blue box'), and the minimal amounts of permitted trade distorting subsidies ('de minimis'). While countries have presented different proposals on the depth of cuts for amber box subsidies, the chair has suggested there may be an emerging consensus around reducing permitted blue box support from 5 percent of the average total value of agricultural production to no more than 2.5 percent. Cuts and disciplines on these subsidies will be negotiated, as will support for cotton – where US subsidies have a massive impact on West African farmers in particular. Subsidies with no, or minimal, trade-distorting effects ('green box') will be discussed at this stage, including subsidies for social and environmental programmes. The G-20 and Canada have made proposals that would enable developing countries to use the green box more easily and to limit any trade-distorting effect which subsidies in this category may in fact have, but the EU has resisted any wide-ranging reform.

Non-Agricultural Market Access

Progress on negotiations on industrial goods -- in WTO parlance, non-agricultural market access (NAMA) -- is expected to hinge on developments in agricultural talks (Bridges Weekly, 28 June 2006, <http://www.ictsd.org/weekly/06-06-28/story3.htm>). Pending such an agreement, Members face primarily two major challenges in NAMA

negotiations. Firstly, there is broad disagreement over the value of the coefficient to be used in the tariff reduction formula, where a higher coefficient would involve lower cuts. The Chair of the NAMA negotiations, Ambassador Don Stephenson (Canada), has indicated that his discussions with Members have led him to believe that there is broader and stronger support for a formula that makes steeper cuts on higher tariffs (a 'simple Swiss formula') with different coefficients for developed or developing countries, but that a political decision was necessary to decide on the exact numbers.

Second, Members differ over the number of tariff lines that developing countries should be able to exempt from the total amount of tariff cuts. While the July Framework contained a mechanism for allowing developing countries to make cuts half as deep as those demanded by the formula for a certain percentage of tariff lines, Members have not agreed on what the percentage should be.

ICTSD Reporting

In Brief

EU TRADE CHIEF PROPOSES NEW WTO ROUND ON ENERGY

EU Trade Commissioner Peter Mandelson on 23 June called for a new round of WTO negotiations that would address the energy sector and seek to treat oil and gas like other traded goods. In an interview, he described how he envisioned how a new set of negotiations, could follow the completion of the Doha Round and apply WTO rules and procedures to trade in energy products. This could potentially require oil and gas producers to liberalise distribution networks, thus opening up access to Russia's gas pipelines, currently under the control of Moscow. Energy-importing industrialised countries would like to eliminate barriers to trade in energy as increasing global demand for oil and gas drives up prices. To address the reluctance of energy producers unlikely to support liberalisation, Mandelson suggested offering them additional investment and more security for their energy exports.

In February 2006, a group of energy-importing nations and a few major energy exporters, including Canada, Saudi Arabia, the US, Australia, and the EU tabled a "collective request" in the WTO Services negotiations to a group of developing countries including Brazil, China, Colombia, Ecuador, Egypt,

India, Kuwait, Nigeria, Qatar, and the United Arab Emirates. The proposal asks them to open up their markets to freer trade in energy services, including core activities of oil and gas production, processing and distribution. Energy-related products have been largely exempted from WTO rules as a result of the GATT exceptions for national security and the conservation of exhaustible natural resources. Instead, some 51 countries and the EU have to date been using the Energy Charter Treaty, a 1998 pact that provides for cooperation on energy-related policy making, investment and free trade, as a basis for international rules on energy. The EU's proposed new WTO rules on energy would involve a broader scope and extent than the ECT text.

Information on the Energy Charter Treaty is available at <http://www.encharter.org>

ICTSD Reporting; "EU Trade Chief Poses WTO Rules In Energy Sector," WALL STREET JOURNAL, 23 June 2006.

ACP COUNTRIES ASK EU TO PROTECT PREFERENCES FOR FISH AT WTO

A resolution adopted by Ministers and delegates at the African, Caribbean and Pacific Countries (ACP) and EU Joint Parliamentary Assembly on 22 June in Vienna, Austria calls on the European Commission to consider carving out canned tuna products from WTO tariff reduction obligations to protect ACP exports to EU markets. The reference to tuna reflects the fear by many ACP country policy-makers that reductions on WTO negotiations on non-agricultural market access (NAMA) will reduce EU tariffs on imports of canned tuna from non-ACP countries. A substantial share of ACP export earnings come from their exports of tuna products to the EU, and especially value-added products like canned tuna, where they are competitive partly because of low, preferential tariff treatment they receive at EU borders under the Cotonou Agreement and the Generalised System of Preferences. The resolution suggests that reduction in tariffs on imports from non-ACP third countries could reduce ACP exports to the EU with the possibility that their "entire tuna canning industry may be devastated with serious socioeconomic consequences". To avoid this eventuality, they suggest taking canned tuna out of coverage of the tariff reduction formula to ensure an "effective level of preference".

The resolution also sets out key principles and guidelines for the EU-ACP relationship on fisheries, including that ACP countries should be allowed to

opt-out of fisheries partnership agreements with the EU, under which the latter fishes in ACP waters, if they consider that the agreements are harmful to their social, political, environmental or economic interests; that all EU vessels fishing in ACP waters should be equipped with Vessel Monitoring Systems to monitor position and catches; and notes that ACP-EU cooperation in fisheries has to work towards enhancing ACP capacity to "develop their fishery resources sustainably and to enhance local added value". On social issues, the resolution calls for the preservation of coastal communities' traditional fishing practices and demands that "all agreements should contain measures to protect small-scale indigenous fisheries", including through financial mechanisms.

The resolution is available online at http://www.europarl.europa.eu/intcoop/acp/60_11/pdf/resolutions/app3847en.pdf

ICTSD Reporting.

EU NOVEL FOODS REGULATIONS EXAMINED AT WTO

A group of developing countries suggested at a meeting of the WTO Committee on Sanitary and Phytosanitary Measures on 28-29 June that the EU Novel Foods Regulation was too restrictive on their exports of traditional and biodiversity-related products and urged the trading block to take into account their concerns in its revision of the text. Peru, Paraguay, Ecuador and Colombia, supported by the Philippines and India, pointed out that other developed countries do not restrict biodiversity-based traditional food exports as much as the EU does. In particular, Peru made a strongly-worded statement based upon its previous submission (G/SPS/GEN/681; see Bridges Trade BioRes, 3 April 2006, <http://www.ictsd.org/biores/06-04-03/inbrief.htm>) which suggested that the novel foods regulation is incompliant with the SPS Agreement, while Paraguay said it was seeking Codex Alimentarius Commission standards for one of its most popular traditional sweetening products. Ecuador pointed to an impact assessment it was in the process of finalizing on the revisions the EU has proposed to the regulation. The assessment suggests that the changes could affect Ecuadian exports of primary products and fruit juices. The regulation, among other things, subjects all imports of "traditional" biodiversity-based products that were not on the EU market before 15 May 1997 to a more stringent and rigorous safety assessment before release into the EU. The EU reacted by

noting that the regulation harmonises divergent rules amongst EU member countries, thereby making trade more transparent and easy for developing countries, but also seeks to address real and serious health risks posed by some traditional products. In its submissions to the meeting, the EU pointed to the ongoing revisions to the regulation and calls on Members to share their concerns as inputs into that process, under which they are going to table new legislation in 2007 (G/SPS/GEN/699 and 700). The Andean countries have been participating in informal discussions and negotiations on the issue in Brussels and would like traditional and biodiversity-related products to be excluded from the regulation.

In addition, India defended itself against inquiries made by the US regarding its recently WTO-notified and re-published biotech labeling rules, noting that the rules have been in place since 1989 but have faced implementation difficulties (see Bridges Trade BioRes, 2 June 2006, <http://www.ictsd.org/biores/06-06-02/inbrief.htm#3>). The Indian delegate said the government would consider comments made by the US, Canada and Chile at a discussion on biotech labelling to be held in late 2006 amongst Indian Ministers.

The Novel Foods Regulation is available online at http://ec.europa.eu/food/food/biotechnology/novelfood/index_en.htm

Information on the public consultation on the revision of the regulation is available online at http://ec.europa.eu/food/food/biotechnology/novelfood/initiatives_en.htm

ICTSD Reporting.

UNICPOLOS ENCOURAGES COOPERATION, ECOSYSTEM APPROACH

The seventh meeting of the United Nations Open-Ended Informal Consultative Process on Oceans and the Law of the Sea (UNICPOLOS) took place from 12-16 June in New York and, while more controversial issues were avoided, incremental progress was made in reaching consensus on effective ecosystem-based oceans management practices. Disagreement continued along familiar country and regional lines on regional fisheries management organisations (RFMO) and high seas governance, precluding any major breakthroughs in terms of recommending substantial new actions to implement ecosystem approaches to oceans

management. Advances were nonetheless achieved, as presentations highlighted useful management approaches; ways to strengthen of RFMOs; and the encouragement of strengthening and improving coordination and cooperation within, and, in accordance with international law between states, inter-governmental organisations, regional scientific and advisory organisations and management bodies. Delegates also suggested that ecosystem based management (EBM) approaches were possible within developed and developing countries as the approaches are relatively inexpensive, as demonstrated by implementation on countries such as Mexico, Palau and Namibia. Many delegates also underlined that initial costs of EBM are significantly outweighed by the long-term penalties of not doing so. In the end it was agreed that ecosystem management should focus on managing human practices, such as land-based and sea-based pollution, over-fishing, dumping and physical destruction and degradation of habitats. UNICPOLOS also encouraged states to address impacts on marine ecosystems within and beyond areas of national jurisdiction, as according to Acting Director General of IUCN Ibrahim Thiaw we otherwise "stand to lose and to irrevocably damage unique wildlife and critical ecosystems many of which moderate our very existence on the planet."

Additional Resources:

UNICPOLOS-6 Documents can be found at
http://www.un.org/Depts/los/consultative_process/consultative_process.htm

For daily coverage of UNICPOLOS-6, see IISD Linkages:

<http://www.iisd.ca/oceans/icp7/>

ICTSD reporting; ENB, Vol. 25 No. 31, 13 June 2005; "Summary of the Seventh Meeting of the Open-Ended Informal Consultative Process on Oceans and the Law of the Sea," 19 June 2006; "Urgent Action Needed to Conserve Deep Seas and Open Oceans: Joint UN Report," 16 June 2006; "Final Report of the Seventh Meeting of the Open-Ended Informal Consultative Process on Oceans and the Law of the Sea," UN-DOALOS, 15 June 2006.

Events & Resources

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar.

Coming Up In the Next Two Weeks

3 - 4 July, Geneva, Switzerland: ANNUAL SESSION OF UNCTAD'S CONSULTATIVE TASK FORCE ON ENVIRONMENTAL REQUIREMENTS AND MARKET ACCESS FOR DEVELOPING

COUNTRIES AND WORKSHOP ON TRADE AND ENVIRONMENT NEGOTIATIONS. The meeting will discuss implications of environmental requirements and related health requirements for developing countries as well as possible pro-active adjustment policies. For further information please contact Nuria Castells, fax: (+41 22) 917 02 47; email: nuria.castells@unctad.org; Internet: http://r0.unctad.org/trade_env/test1/openF1.htm

3-6 July, Montreal, Canada: 26TH OPEN-ENDED WORKING GROUP OF THE PARTIES TO THE MONTREAL PROTOCOL. For further information contact Marco Gonzales, tel: (+ 254 20) 76238850/7623851; fax: 7624691/2/3; e-mail: ozoneinfo@unep.org; Internet: <http://ozone.unep.org/Events/meetings2006and2007.asp>

3-8 July, Lima, Peru: 16th MEETING OF THE CITES PLANTS COMMITTEE. The Plants Committee provides advice and information relating to plant species to Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) parties. It advises when certain species are subject to unsustainable trade and recommends remedial action (known as the significant trade process), undertakes periodic reviews of plant species listed in the appendices and drafts resolutions on plant matters for consideration at conferences. For further information please contact Margarita Clemente Muñoz, tel: (+34 957) 20 00 77; fax: 29 53 33; email: cr1clmum@uco.es; Internet: <http://www.cites.org/eng/news/meetings/PC16.shtml>

3-8 July, Geneva, Switzerland: CODEX ALIMENTARIUS COMMISSION, 29TH SESSION. The Commission was created to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Programme. The main purposes of this programme are protecting health of the consumers and ensuring fair trade practices in the food trade, and promoting coordination of all food standards work undertaken by international governmental and non-governmental organizations. For further information contact the Codex Secretariat, tel: (+39 06) 5705 2287; fax: 5705 3369; email: codex@fao.org; Internet: http://www.codexalimentarius.net/web/index_en.jsp

4 July, Lancaster, UK: SCIENCE, INTELLECTUAL PROPERTY AND OPENNESS. Hosted by Lancaster University. This day is intended for scientists and others interested in how the intellectual property system interacts with their work, and especially those who are concerned with understanding current debates about the balance between openness and property in science (and other research arenas). For further information contact Chris May, tel: (+44 0) 1524 594272; fax: 1524 594238; email: c.may@lancaster.ac.uk; Internet: <http://www.lancs.ac.uk/ias/annualprogramme/kbe/documents/Intellectual%20property%20and%20science.doc>
 6-7 July, Geneva, Switzerland: WTO COMMITTEE ON TRADE AND ENVIRONMENT – SPECIAL

SESSION. For further information, contact the WTO Information and Media Relations Division, Geneva; tel: (41-22) 739- 5007; fax: (41-22) 739-5458; email: enquiries@wto.org; Internet: <http://www.wto.org>

7-13 July, Lima, Peru: 22ND MEETING OF THE CITES ANIMALS COMMITTEE. This meeting will include regional reports and conservation and trade in great apes, along with reviews of significant trade in threatened species between members of the Convention on International Trade in Endangered Species (CITES). For further information, contact Dr Thomas Althaus, tel: (+41 31) 323 85 08; fax: 323 5686; email: thomas.althaus@bvet.admin.ch; Internet: <http://www.cites.org/eng/news/meetings/AC22.shtml>

10-14 July, Ljubljana, Slovenia: 4TH ISTA /FAO WORKSHOP ON ELECTROPHORETIC AND DNA-BASED METHODS FOR VARIETAL VERIFICATION AND GMO DETECTION. This workshop is for seed testing analysts from laboratories located in the Eastern European region. The aim of the workshop is to train the seed technicians in methods for the verification of species, cultivars and hybrids as well as for qualitative and quantitative GMO detection. The workshop will be made up of lectures and practical work. For further information contact Kakoli Ghosh, email: Kakoli.Ghosh@fao.org; Internet: <http://www.fao.org/ag/agp/agps/SEED/slowshp.pdf>

11 - 14 July, Portsmouth, UK: IIFET - INTERNATIONAL INSTITUTE FOR FISHERIES ECONOMICS AND TRADE - BIENNIAL CONFERENCE. This event will provide a forum for professionals to discuss the current state of the world's fisheries and exchange ideas on the means to rebuild those that have been damaged by natural disasters or human activities. For further information contact Nicola Waterman, tel: (+ 44 23) 9284 4087; fax: 9284 4614; email: nicola.waterman@port.ac.uk; Internet: <http://www.onefish.org/servlet/CDSServlet?status=ND0xMDc3OS4yNDY0NjEmNj1lbiYzMz1ldmVudHMmMzc9aW5mbw~~>

12-14 July, Geneva, Switzerland: 11TH SESSION OF THE SUB-COMMITTEE OF EXPERTS ON THE GLOBAL HARMONISED SYSTEM. The Dangerous Goods and Special Cargos Section of the Transport Division of UNECE is organising the 11th Session of the Sub-committee of Experts on the Global Harmonized System of Classification and Labelling of Chemicals. For further information, contact the UNECE, e-mail: info.ece@unece.org; Internet: <http://www.unece.org/trans/main/dgdb/dgsubc4/activities.html>

Other upcoming events

13-18 August, Beijing, China: INTERNATIONAL CONGRESS OF PLANT TISSUE CULTURE AND BIOTECHNOLOGY (ICPTC&B). More than 2,000

foreign and Chinese plant biologists, including four Nobel Prize winners, are expected to attend the meeting to discuss topics like the industrial uses of genetically modified (GM) plants, intellectual property in biotechnology, bio-safety, and GM plants. For further information contact Qinghua Zhao, tel: (+86 10) 64838095; fax: 64878314; email: qhzhao@genetics.ac.cn; Internet: <http://www.genetics.ac.cn/IAPTCB.htm>

4-13 October, Buenos Aires, Argentina: FIFTH SESSION OF THE COMMITTEE FOR THE REVIEW OF THE UN CONVENTION TO COMBAT DESERTIFICATION (CRIC-5). Agenda items include review of the implementation of the Convention and its institutional arrangements; consideration of necessary adjustments to the elaboration process and implementation of action programmes; review of available information regarding mobilization and use of financial resources; and consideration of ways and means to promote know-how and technology transfer; and improvement of procedures for communication of information. For further information contact the UNCCD Secretariat, tel: (+ 49 228) 815-2800; fax: 815-2898; email: secretariat@unccd.int; Internet: <http://www.unccd.int>

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 smohan@ictsd.ch.

ICTSD Resources

INTELLECTUAL PROPERTY RIGHTS: DESIGNING REGIMES TO SUPPORT PLANT BREEDING IN DEVELOPING COUNTRIES. By Rob Tripp, Derek Eaton and Niels Louwaars. (World Bank, June 2006). According to this report, plant breeding is important for food security, the ability of agriculture to develop new plant varieties that are sustainable and are able to cope with environmental stresses and the provision of productive options for commercial farming can lead to wider economic development. This report attempts to determine the degree to which stronger Intellectual Property Rights in plant breeding can help stimulate these industries and whether the IPR systems for plant varieties that have been developed in industrialised countries can contribute to development objectives. The report warns against intellectual property rights in agriculture becoming primarily a trade issue instead of a research and development issue aimed at increasing innovation in developing countries. To access this report visit http://siteresources.worldbank.org/INTARD/Resource/s/IPR_ESW.pdf

DO WE NEED A NEW ACCESS AND BENEFIT SHARING INSTRUMENT? By Miriam Dross and Franziska Wolff. (Yearbook of International

Environmental Law, January 2006). The article analyses and evaluates the present state of the highly dynamic debate on Access and Benefit Sharing (ABS) under the Convention on Biological Diversity (CBD). The authors outline the development of the ABS debate and explore to what extent existing regulated aspects of ABS can be considered to represent an 'international regime'. They discuss the arguments against and in favour of a legally binding instrument as they are put forward by different actors, and in their conclusions highlight gaps in the present ABS debate. To access this article visit <http://www.oup.com/uk/catalogue/?ci=9780199289264&view=lawview>

TRANSFORMATION OF AGRICULTURE – REFLEXIVE GOVERNANCE FOR AGROBIODIVERSITY. By Franziska Wolff. (Reflexive Governance for Sustainable Development, 2006). The article highlights to what extent the loss of agricultural biodiversity results from un-reflexive forms of governance and describes existing alternative and more reflexive approaches. To access this article http://www.e-elgar-environment.com/Bookentry_contents.lasso?id=3982

SOCIO-ECONOMIC EFFECTS OF GOLD MINING IN MALI: A STUDY OF THE SADIOLA AND MORILA MINING OPERATIONS. By E. Jul-Larsen, B. Kassibo, S. Lange and I. Samset. (Chr. Michelsen Institute (CMI), 2006). This study of the economic and social impacts of the gold mining industry in Mali asks how the exploitation of valuable natural resources could be improved to benefit all stakeholders - state, citizens, resource company and workers, local communities - in a way which is perceived as 'fair' by all, and which also contributes to poverty reduction? The paper also highlights issues of controversy between mining companies and communities in the mining areas. To access this paper visit <http://www.eldis.org/cf/search/disp/docdisplay.cfm?doc=DOC21478&resource=f1csr>

SUSTAINABLE MONOCULTURE? NO THANKS! By GRAIN, June 2006. This report takes a critical look at corporate initiatives to promote sustainable monocultures, drawing attention to a new trend of participation by NGOs and farmers. According to the report, the monoculture of one crop is not sustainable, as the model is dependent on large amounts of fertiliser and pesticide, requires large tracts of land, heavy mechanisation, external investments which must be repaid and there is an alienation of local peasant and

indigenous communities. To access this report visit <http://www.grain.org/nfg/?id=416>

PROMISING CROP BIOTECHNOLOGIES FOR SMALLHOLDER FARMERS IN EAST AFRICA: BANANAS AND MAIZE. Edited by Melinda Smale, Svetlana Edmeades and Hugo De Groote. (International Food Policy Research Institute, June 2006). Both bananas and maize are devastated by pests and diseases in this region, particularly in the lowland tropical environments. Since chemical treatment of these crops is not economically viable for most smallholder farm families, varieties with genetic resistance could play a vital role in reducing their vulnerability to crop failure. For that reason, national research programs in East Africa have targeted bananas and maize for genetic transformation. These eight briefs examine the potential impact of transgenic bananas and maize on smallholder farmers, with country specific information from Kenya, Tanzania, and Uganda. To access this publication visit <http://www.ifpri.org/pubs/rag/br1004.asp>

EUROPEANS AND BIOTECHNOLOGY IN 2005: PATTERNS AND TRENDS. By George Gaskell et al. (Eurobarometer, May 2006). According to the survey, Europeans are more optimistic about biotechnology than ever before, but this does not extend to their view of genetically modified foods. The report to the European Commission's Directorate-General for Research examines the patterns and trends of consumer response to biotechnology in Europe. The report reveals that although Europeans generally support the use of medical and industrial biotechnology, their overall feeling on genetically modified (GM) food is that it should not be encouraged. To access this survey visit http://www.ec.europa.eu/research/press/2006/pdf/pr1906_eb_64_3_final_report-may2006_en.pdf

THE STATUS OF AGRICULTURAL BIOTECHNOLOGY AND BIOSAFETY IN UKRAINE. (FAO, June 2006). This report was commissioned by FAO's Research and Technology Development Service (SDRR) and the Regional Office for Europe (REU). This 41-page report includes an overview of Ukraine's national agriculture profile; national agricultural policy; status of agricultural research; national biotechnology policy; status of biotechnology research; applications of biotechnology; regulatory frameworks; and state of information and communication needs. To view this report visit http://www.fao.org/sd/dim_kn4/docs/kn4_060601d1_en.pdf

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>. This edition of BRIDGES Trade BioRes was edited by Sarah Mohan, smohan@ictsd.ch. The Managing Editor is Heike Baumüller, hbaumuller@ictsd.ch. Contributors to this issue were Rizwan Bajwa, Marie Chamay, Jonathan Hepburn, Sarah Mohan, Courtney James and Gina Vea. The Director is Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: 7, ch. de Balexert, 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. ISSN 1682-0843

To subscribe to BRIDGES Trade BioRes, please send a blank email tobiore@ictsd.ch.