



Bridges Trade BioRes

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

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Biotechnology

WTO PANEL PROVISIONALLY RULES AGAINST EU MORATORIUM ON BIOTECH APPROVALS

A WTO dispute panel on 7 February issued a preliminary ruling suggesting that several aspects of the way that the EU's approval process for genetically modified organisms (GMOs) was operating violated the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS). It is thus largely favourable to the complaint brought in 2003 by the US, Argentina and Canada against what they alleged was an EU moratorium on the approval of new biotech products.

In the interim ruling, which was confidential and released only to the parties to the dispute, the panel was keen to stress that the challenge did not address the WTO-consistency of the EU biotech regulations, but rather the failure of the EU to properly apply its own procedures.

Interim ruling sides with complainants

The panel is assessing three issues for their compliance with WTO rules: (1) the alleged general EU moratorium on biotech approvals, (2) the EU's failure to approve a number of specific biotech products (referred to as 'product-specific measures'), and (3) national-level bans in several EU member states on the marketing and import of specific biotech products after the products had been approved at the EU level.

According to the interim ruling, the EU had indeed applied a general 'de facto' moratorium on approvals of biotech products between June 1999 and August 2003, thus contradicting Brussels' claim that no such moratorium existed (see Bridges Trade BioRes, 20 January 2006, <http://www.ictsd.org/biores/06-01-20/story3.htm>). The panel noted that this general 'de facto' moratorium did not constitute an SPS measure in and of itself, but had "resulted in a failure to complete individual procedures without undue delay," thereby violating Article 8 and Annex C of the SPS Agreement, which set out rules for such approval procedures.

Notably, the panel did not side with the complainants on other allegations, including those contending that the de facto moratorium was not based on a risk assessment or on scientific principles. With regard to the product-specific measures, the panel reached conclusions similar to those on the general de facto moratorium, arguing that the completion of the approval process had unduly delayed for 24 out of the 27 biotech products.



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The 1,050-page report also found that 'safeguard measures' in the form of national bans on the marketing and import of EU-approved biotech products in France, Germany, Austria, Italy, Luxembourg and Greece were WTO-incompliant. The panel stressed that the challenge was not directed at EU laws for approval procedures, which allow individual EU member states to impose SPS measures that differ from EU-wide measures. In fact, the panel actually assessed the prohibitions imposed on the basis of the EU's own legislation. The EU had argued that the national bans were taken as precautionary measures under Article 5.7 of the SPS Agreement, which allows WTO Members to provisionally adopt SPS measures in the absence of sufficient evidence. The interim ruling, however, concludes that available scientific evidence was actually sufficient to permit a risk assessment -- because the EU's scientific committee had already assessed the risks of the biotech products and judged them to be safe. This was its basis for finding that the challenged EU member states had not undertaken risk assessments in line with the requirements of the SPS Agreement that would "reasonably support the prohibition."

Interim recommendations of the panel

The panel did not make recommendations on what the EU should do about the general de facto moratorium since it found that the moratorium had already ended with the approval of "a relevant biotech product" in 2004, some months after the establishment of the panel. On the product-specific measures, the panel requested the EU to bring the measures "into conformity with its obligations under the SPS Agreement," effectively asking the EU to complete the approval process for the outstanding applications.

Similarly, the interim ruling requests the national-level bans to be brought into conformity with WTO law, which would imply revoking them or providing an SPS Agreement-compliant risk assessment to justify the measures. The European Commission has already stepped up pressure on member states in this regard, most recently ordering Greece to end its ban (see BRIDGES Trade BioRes, 20 January 2006, <http://www.ictsd.org/biores/06-01-20/story3.htm>).

Moratorium or no moratorium?

In a press release issued the same day as the interim report, the EU stressed the need for strong

regulatory oversight of GMOs, and noted that the approvals process it has in place had led to the authorisation of more than 30 biotech products. It argued that it does not have a ban in place, suggesting that the implications of the biotech case for current EU processes are likely to be minimal because the ruling does not apply to the regulatory framework that came into effect in 2004.

The US had argued in a 6 February statement that the moratorium was still in place because only a few, "token" GMOs had been approved since 2004. However, in a footnote to the interim ruling, the panel members explicitly refrained from expressing an opinion on whether an amended de facto moratorium continued to exist or a new general moratorium had been imposed, on the grounds that doing so would be beyond their terms of reference.

Under EU laws, applications for the approval of GMOs go through a lengthy process which includes examination by the European Food Safety Authority (EFSA), as well as by ministers and environment, health, and safety experts from EU states. If the state representatives fail to agree on whether to approve or reject the application for environmental release or commercialisation, the decision reverts back to the European Commission. Nearly two dozen GMO applications are currently in this pipeline.

Parties, civil society weigh in

In a conference call with journalists the night of 7 February, a US official said the US is "pleased with the outcome." In a reference to widespread public scepticism about GM products in the EU, US Trade Representative Rob Portman noted that "public opinion isn't the standard. The standard is a rules-based system in the WTO. That's why we're in the WTO, and as the world's largest trading partner I'm sure the EU would act responsibly."

A number of industry and farmer groups in the US, which is the world leader in the adoption of GM crops, expressed support for the preliminary report. "The WTO's decision makes it clear that biotech regulations must be based on sound science and that the EU's approach to biotech crop approvals is unwarranted," said Sarah Thorn, senior director of international trade at the Grocery Manufacturers Association. However, European Commission trade spokesman Peter Power said in a statement "This interim report is largely of historical interest, as this

panel will not alter the system or framework within which the EU takes decisions on GMOs."

Many civil society groups sharply criticised the ruling, saying that public opinion in the EU against the release and commercialisation of GMOs should be respected. "US agro-chemical giants will not sell a bushel more of their GM grain as a result of the WTO ruling," Greenpeace International trade adviser Daniel Mittler declared. "European consumers, farmers, and a growing number of governments remain opposed to GMOs, and this will not change -- in Europe or globally." Friends of the Earth International described the overturning of the national bans as "undemocratic" and an "inappropriate intrusion into decisions about what food people eat," adding that "the WTO is unfit to decide what we eat or what farmers grow. It has no particular competence in environmental or health and safety matters."

Until recently, interim reports in all WTO disputes had largely matched the eventual final rulings. However, the role of these preliminary reports as a barometer of the panel's final decision has been diminished by Korea and Indonesia's dispute over anti-dumping duties on certain Indonesian paper imports, for which the October 2005 final ruling reversed some of the substantive findings in the interim report.

Informed sources expect that the final ruling in the biotech case, which will take into account parties' views on the preliminary report, will be released in April 2006.

Additional Resources

The interim conclusions and recommendations of the panel are available at <http://www.tradeobservatory.org/library.cfm?refid=78475>.

For additional information, including analysis and relevant submissions, visit <http://www.trade-environment.org/page/theme/tewto/biotechcase.htm>.

ICTSD reporting; "Europe's rules on GMOs and the WTO," EU PRESS RELEASE, 7 February 2006; "WTO condemns EU over GMO moratorium," REUTERS, 8 February 2006; "WTO Backs Key U.S. Claims in Case Against EU GMO Ban; EU Downplays Ruling," WTO REPORTER, 7 February 2006; "GMO Ruling Delights US Farmers but Hurdles Remain," REUTERS, 8 February 2006; "WTO Found EU GMO Moratorium Violated Trade Rule - US," REUTERS, 8 February 2006; "WTO may reject EU biotech policy in 'Bellwether' case," BLOOMBERG, 6 February 2006; "WTO rules against Europe in GM food case," FINANCIAL TIMES, 7 February 2006; "Europe's Biotech-Seed Rules Ruled Illegal by WTO, U.S. Says," BLOOMBERG, 8 February 2006.

Fisheries

STEPS CONSIDERED FOR MOVE TO TEXT-BASED WTO FISH NEGOTIATIONS

WTO Members meeting on 8 February resumed negotiations on rules to constrain fisheries subsidies by discussing a proposal in which nine countries, most of whom belong to a group known as the 'Friends of Fish', outlined the steps they thought necessary to make a quick transition to text-based negotiations. For the first time, the small vulnerable coastal states (SVCSS) and the African, Caribbean and Pacific (ACP) countries made a joint statement, arguing that contrary to a broad-based prohibition approach with exceptions presented by the proposal, SVE and ACP countries would prefer to have a bottom-up approach to fish subsidy disciplines. Building on these discussions, Negotiating Group on Rules Chair Ambassador Guillermo Valles Galmes of Uruguay urged delegates to put forward detailed proposals in the form of draft legal text for a new agreement in time for the next session in March.

The submission from Brazil, Chile, Colombia, Ecuador, Iceland, New Zealand, Pakistan, Peru and the US (TN/RL/W/196) -- all of whom, except from Brazil and Pakistan, belong to the 'Friends of Fish' which has argued for a broad-based ban before -- was submitted in November 2005 but discussed for the first time at the February meeting (see Bridges Trade BioRes, 9 December 2005, <http://www.ictsd.org/biores/05-12-09/story1.htm>). It summarises progress to date in the negotiations and outlines a series of steps deemed necessary to fulfil the Doha mandate in the area.

It notes that a number of types of fisheries subsidies-related programmes, such as initiatives for conservation, regional development, social insurance and research, have yet to be discussed while the analysis on several issues already covered must be deepened. The proposal also points to the importance of the provision of more detail on Members' fisheries subsidies practices in enabling focused discussions. It then calls for a move from the current "issue identification" stage to a "second phase" of talks directed at producing a "text-based outcome" for the new disciplines, but suggests that agreement on options for the broad structure of the disciplines is necessary. The nine countries say that two options are currently on the table: a 'top down' approach that would prohibit fisheries subsidies

apart from certain exceptions, or a 'bottom up' approach that would only prohibit subsidies that were explicitly listed. The co-sponsors of the submission re-stated their preference for the former approach, as opposed to the bottom-up approach that Japan, Korea and Chinese Taipei have supported since the beginning of the negotiations.

According to the submission, new disciplines on fisheries subsidies should be "simple and enforceable," more transparent than existing rules, flexible enough to respond to the "dynamic nature of the fishing industry," and "must recognise the importance of this sector for developing countries through appropriate special and differential treatment."

ACP: Development must be at centre of disciplines, use bottom-up approach

Barbados, speaking on behalf of a group of small vulnerable coastal states (SVCSs) and the African, Caribbean and Pacific countries, described the nine countries' proposal as a useful roadmap, though it disagreed with the sponsors' preferred approach towards the legal structure of new rules. The SVCS and ACP countries, Barbados said, prefer a bottom up approach, since they believe that this would allow them greater flexibility in pursuing policies to fully use the resources in their waters.

Although they recognised the importance of environmental issues in the fisheries subsidies negotiations, they said they did not see the reduction of overcapacity and overfishing as the primary goal of the talks. Instead, their priority was to "ensure that developing countries and specifically least-developed countries are able to enhance their level of development and increase their integration in the multilateral trading system." Pointing to the proposal's acknowledgement that a limited number of countries provide the vast majority of distorting subsidies, they claimed that the majority of developing countries do not provide trade-distorting subsidies -- indeed, instead of promoting overcapacity with grants to fisheries, they had problems fully using the marine resources that were under-utilised in their waters. In this vein, while expressing full support of the proposal's indicative list of issues that have yet to be discussed, they noted that an emphasis on access fees, development assistance and assistance to artisanal and small-scale fisheries, management services, infrastructural development and port facility enhancement are issues of paramount importance to their fishing sectors.

The small and vulnerable coastal states have been active participants in the discussions, and have submitted two joint proposals of their own in the past (TN/RL/GEN/57/Rev.2 and TN/RL/W/136; see BRIDGES Trade BioRes, 14 October 2005, <http://www.ictsd.org/biores/05-10-14/story1.htm>). The meeting marked the first time that the SVCS and ACP countries spoke with one voice in the fisheries subsidies negotiations.

Delegates are aware that they will have to make swift progress if they are to meet an informal set of deadlines first set out by trade ministers from 25-odd Member countries in a meeting in Davos in late January. The timetable calls for Members to submit fisheries subsidies proposals in the form of detailed legal text by March, allowing for subsequent analysis by June, so that the Chair can prepare a consolidated draft agreement in July. This would serve as the basis of negotiations through the conclusion of the Doha Round.

The next rules week is scheduled 13-17 March.

ICTSD reporting.

Chemicals

CHIRAC RECALLS FRENCH SHIP FROM INDIA, ORDERS INVESTIGATION

French President Jacques Chirac on 15 February ordered the return of French ship *Clemenceau* back to domestic waters, citing concerns regarding the hazardous waste contents of the vessel that had been sent to India for dismantling. The move came moments after the French Conseil d'Etat, the Supreme Court of France, cancelled the export documents of the ship on the grounds that it contained more asbestos than previously thought and that it fell under EU and international laws on industrial waste. The *Clemenceau* has been accused of carrying hazardous materials, in particular asbestos, that were not removed before its 31 December departure from France.

The decision to repatriate the vessel was taken after the Indian Supreme Court on 13 February decided to create a new panel consisting of retired navy officers and other specialists to investigate whether the former aircraft carrier should be allowed to enter the country in order to be broken at the Alang scrapping yard in Western Gujarat. The Supreme

Court's Monitoring Committee on Hazardous Wastes had previously returned a split verdict on the issue, with seven members in favour of accepting the ship under strict conditions and three others recommending its return to France.

The *Clemenceau* has now embarked on a three-month return trip to the French naval base in the port town of Brest in Brittany "at least for a period of time" until a solution is found to its disposal. President Chirac has also ordered an inquiry into how much carcinogenic asbestos the vessel contained -- one of the main areas of contention between the government and environmental groups -- after opposition politicians described the affair as a "fiasco" which had exposed the country to "international ridicule".

Background

French authorities have said that their original assessment of the asbestos on board the ship, which being prepared for disposal, had indicated that 160 tonnes of brittle asbestos was present. As a result, the ship was sent to French scrap firm Technopure, which reported to the French government that it had removed 115 tonnes of asbestos, leaving 45 tonnes on board to make the ship seaworthy for its final voyage to India. However, the French Defence Ministry said on 11 February that it only had documentation of receipt of 85 tonnes of asbestos at the landfill charged with disposal of the removed waste. As a result, there are questions about whether the full 115 tonnes were taken out of the ship, or whether 30 tonnes remain in the *Clemenceau* on top of the 45 tonnes that were deliberately left on board. In addition, Greenpeace and ecologists suggest that it is possible that there is more asbestos on board than was identified during the preliminary assessment, such that the true amount of asbestos on board the ship could be as much as 500 tonnes.

It is also possible that other hazardous substances are on board the ship. Although the French government told Indian authorities that there were no polychlorinated biphenyls (PCBs) on board, they did not present any proof of an assessment or test of any non-asbestos chemicals. The French, for their part, suggest that apart from the 45 tonnes of asbestos the ship carries no other hazardous materials. However, the Basel Action Network (BAN), a non-governmental organisation, points to a US ship of similar size and function as the *Clemenceau* in which hazardous materials were

found and, using the ratio of sizes of the two vessels, suggests that the *Clemenceau* is likely to have PCB contaminated material above 50 ppm in solid matrix form in a range between 744 and 823 tonnes.

BAN also suggested that the transfer of the ship to India violated the Basel Convention as the treaty's signatories are forbidden to undertake transboundary shipments of hazardous waste without assurances that the destination facility is engaged in environmentally sound management as defined in the Convention. The NGO suggested that it is "internationally recognised" that "the ship-breaking yards in Alang do not constitute environmentally sound management as required under the Convention." However, the Gujarat Maritime Board, which manages the Alang ship-breaking yard, says the workers are trained to handle the ship's toxic waste.

French investigation launched

In addition to forming its own panel to determine whether the *Clemenceau* could be scrapped in India, the Indian Supreme Court asked the French Ministry of Defence to investigate the quantity of hazardous substances that remain on board the ship. In response, French Defence Minister Michele Alliot-Marie said on 14 February that it had ordered the state prosecutor to conduct an inquiry into Technopure's asbestos-stripping of the warship, and in particular the discrepancy between the amount of asbestos that Technopure claims to have removed from the vessel and the weight recorded at the landfill site. The investigation into the firm will complement the expert inquiry, announced by Chirac on 15 February, into the amount of asbestos currently on board.

The French moves come only days after a 5 February letter sent by EU Environment Commissioner Stavros Dimas to French authorities asking for more information in order to determine whether there are grounds for launching a legal procedure for infringement of EU rules against transfer of hazardous waste outside of the OECD region. On 14 February, French government commissioner Yann Aguila said that the *Clemenceau* was dangerous waste and should not be broken down in India. A recent poll in France suggests that 68 percent of the population support the *Clemenceau's* return to France.

Governance gap at issue

The Basel Convention aims to minimise the generation of hazardous wastes and to control and reduce their transboundary movements in order to protect human health and the environment, and includes movements of asbestos and PCPs within its jurisdiction. The EU (including France) is a Party to the Convention, and has signed and put into law an amendment to the Convention that bans shipment of hazardous wastes from OECD countries to developing countries. However, this law and the Basel Convention itself do not cover movements of ships, which are under the jurisdiction of the International Maritime Organization (IMO), or labour conditions in ships and ship-breaking yards, which are under the jurisdiction of the International Labour Organization (ILO). There is, therefore, a 'gap' or 'grey zone' between the three instruments in terms of which has jurisdiction over ship scrapping. Although the Assembly of the IMO in July 2005 adopted a resolution on the development of a legally binding instrument on ship recycling, which would likely cover ship scrapping, negotiations have not yet begun and as such there is no current instrument specific to the issue.

The root question in the *Clemenceau* case is thus whether it falls under IMO jurisdiction as a ship, in which case France would be in compliance with EU and international law by sending it to India, or whether it falls under the Basel Convention insofar as it contains asbestos and perhaps other hazardous wastes, in which case it would be in compliance with the Convention's rules on advanced informed agreement to the transfer, assessment and the amendment's ban on shipments to developing countries. Dialogue between the three Conventions on the issue has been ongoing through a joint working group that met in December 2005 and will meet again in April 2006. However, the 15 February decision of the French Conseil d'Etat ruled that the *Clemenceau* was not a warship under the jurisdiction of the IMO, and that it was instead hazardous waste as defined by the Basel Convention. In his statement, Chirac called on France's European partners to encourage the development of international norms on the transboundary movements of ships for dismantling that guarantee respect for social rights, working conditions and the environment.

Employment implications in question

Labourers in the Alang shipping yard criticised the French decision to recall the ship, noting that they were in need of work. "If there was a ship, we would have work. Otherwise there is no work," said Rammurat Sahani, a worker in the area. "All these foreign organisations, who have focussed the spotlight on Alang, are painting a negative picture of it abroad. Because of that, all the big companies will now sell their ships to Bangladesh, Pakistan and China," said Haresh Parmar, another worker. However, Greenpeace hailed the decision, calling it a victory for workers and their health, while some Indian port officials in the region suggested that the decreased levels of work in the Alang yards is a long-term trend that is unlikely to be changed by the presence of the *Clemenceau*.

The members of the new Indian Supreme Court sub-committee on the matter are expected to be announced 17 February, and the results of its investigation -- along with the French inquiries -- will determine the final resting-place of the *Clemenceau*.

ICTSD Reporting; "Presidence De La Republique: Communiqué," FRENCH PRESIDENTIAL OFFICE PRESS RELEASE, 15 February 2006; "Clemenceau - Matignon va réformer les procédures d'exportation," REUTERS, 15 February 2006; "Greenpeace hails Clemenceau verdict," NDTV, 16 February 2006; "Chirac orders Clemenceau back home," THE HINDU, 16 February 2006; "Chirac orders asbestos carrier back to France," INDEPENDENT, 16 February 2006; "French Vessel 'Clemenceau' Toxic Waste Export," BASEL ACTION NETWORK, January 2006; "EU Seeks Details from France on Scrapped Warship," REUTERS, 3 February 2006; "India Panel on Toxic Waste Divided over French Ship," REUTERS, 8 February 2006; "Indian Court Orders New Panel for 'Toxic' Ship," REUTERS, 14 February 2006; "French official against sending Clemenceau to India," SIFY, 14 February 2006; "Court for new panel on Clemenceau," THE HINDU, 14 February 2006; "France looks into asbestos on ship sent to scrap," REUTERS, 14 February 2006; "France orders probe into asbestos ship contractor," XINHUANET, 14 February 2006; "Press Note from the Basel Convention Secretariat on the Ship Clemenceau," BASEL CONVENTION SECRETARIAT, 14 February 2006.

NEW SAICM CHEMICALS INITIATIVE ADOPTED: PRECAUTION, TRADE CONTROVERSIAL

Environment and health ministers from more than 140 countries on 6 February agreed to create a new Strategic Approach to International Chemicals Management (SAICM) initiative at the International Conference on Chemicals Management in Dubai,

United Arab Emirates. The meeting, which was held in the three days preceding the 7-9 February Special Session of the United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum (GCSS-9/GMEF) which approved the new initiative, was able to agree on an overarching policy strategy (OPS), a global plan of action (GPA) and a high-level declaration for the SAICM scheme. The voluntary accord aims to fill gaps in the existing global governance of chemicals through a comprehensive, strategic approach that coordinates signatories' risk assessment of chemicals, harmonises labelling, tackles the dangers of outdated and stockpiled products, addresses risk reduction, facilitates access to knowledge and information, enhances governance, capacity-building and technical cooperation and works to end illegal international traffic.

A rift over the principles and approaches for the new deal, however, threatened the negotiations from the first day of talks. While one group led by the US supported including the formulation of the precautionary principle provided in Principle 15 of the Rio Declaration, another group led by the EU insisted that the precautionary approach had evolved in other contexts, such as in biosafety and persistent organic pollutants instruments, and that this should be reflected in SAICM. While the latter group argued for a broad definition of the precautionary principle, most notably to include application to health and not just the environment, the US pointed to Principle 15 as the only universally-accepted version of the principle. The US noted that it was concerned that any changes to the wording presented in Principle 15 would allow the precautionary approach to be used as an unjustified barrier to international trade, which it was not prepared to accept. The final text refers to the precautionary approach as set out in Principle 15, but links it to the aim of minimising the significant adverse effects of chemicals on both health and the environment. US demands for a provision that the accord would not change rights and obligations under existing agreements -- which would include the WTO Agreement on Sanitary and Phytosanitary Measures -- was not included.

Intense discussion took place on the nature of the "international financial resources" to support the SAICM. The US resisted reference to "international financial institutions", citing the need for donors to retain control over their funds. US\$ 10 million was pledged at the meeting to Quick Start, a programme

aimed at giving financial support to developing countries to handle chemicals safely.

"I am delighted that governments could agree to this new chemicals initiative which I sincerely believe will be a step to change in the way we use and produce chemicals," said UNEP Executive Director Klaus Toepfer. "Chemicals have a key role in overcoming poverty and delivering sustainable development." However, some delegates and a number of non-governmental organisations suggested the principles underlying the approach were weaker than they had hoped for, with Clifton Curtis, director of the Global Toxics Programme of WWF, noting that "the final outcomes of the Dubai negotiations are extremely disappointing, with the results akin to achieving a half loaf of bread, not well baked."

ICTSD Reporting; "UN Global Environmental Chemical Deal Wins Approval," REUTERS, 8 February 2006; "Governments, Industry Endorse Global Chemicals Management Strategy," ENS, 8 February 2006; ENB Vol. 16 No. 54, 13 February 2006; "Europe welcomes Dubai Declaration as the first global agreement to achieve sound management of chemicals," EU PRESS RELEASE, 7 February 2006.

In Brief

WTO MEMBERS TABLE FOREST, FISH LIBERALISATION PROPOSALS

At a meeting of the negotiating group on non-agricultural market access (NAMA) on 2 February, two groups of WTO Members presented their proposals for the enhanced reduction in tariffs on fish and forest products and gave updates on progress in informal meetings that have been held on the issues. Canada, Hong Kong, New Zealand, Thailand and the US tabled a proposal on forest products (TN/MA/W/64) and Canada, Iceland, New Zealand, Norway, Singapore and Thailand submitted a proposal calling for enhanced liberalisation of trade in fish and fish products (TN/MA/W/63) (see Bridges Trade BioRes, 28 October 2005, <http://www.ictsd.org/biores/05-10-28/inbrief.htm#2>). Both proposals highlighted that developing countries could benefit from enhanced market access if tariffs were dramatically reduced in the sectors, and suggested that tariff liberalization could enhance the incentives for natural resource use in a manner supportive of sustainable development. In their presentations, the proponents of the proposals pointed out that informal talks have continued to take place between the Members that had put forth the proposals and others

considering joining onto the initiative for enhanced tariff reductions in the sectors. While these talks have yielded some agreement on the scope of product coverage and that a critical mass of exporters of each product group would be necessary to initiate enhanced tariff reductions in the sector, Members still have to discuss special and different treatment and other issues.

While welcoming the update, WTO Members in the NAMA committee pointed out that consideration of increased or accelerated liberalisation in particular sectors would have to be put on the backburner until negotiations on the scheme for determining overall NAMA liberalisation had seen more movement. Controversy in the NAMA Group has centred on developing countries' need for flexibility in choosing by how much to reduce their tariffs, and in particular whether developing countries could have both a high coefficient on their tariff reduction formula (allowing for lower tariff cuts) AND be exempt or make lower tariff cuts on some sensitive products. The meeting was unable to resolve disagreement on what type of formula should be used to cut tariffs on non-agricultural products, including natural resources, but a 'NAMA group' was created that includes several developing countries looking to defend their policy space for national industrial development strategies (see Bridges Weekly, 8 February 2006, <http://www.ictsd.org/weekly/06-02-08/story4.htm>). Ambassador Donald Stephenson of Canada will, as of 27 February, begin his new position as chair of the NAMA negotiating group by leading an open-ended session on sectoral initiatives in which Members will consider the way forward on the issue.

ICTSD Reporting.

NEW EU BIOFUEL STRATEGY: EXPORT POSSIBILITIES, BUT WATCH FOR NATURAL RESOURCES

On 8 February, the European Commission presented its new biofuels strategy which outlines a series of measures to promote biofuels within the EU and developing countries. The plan intends to boost the production of fuels such as biodiesel and bioethanol through additional aid and investment in an effort to reduce dependency on fossil fuels and emissions of greenhouse gases. In so doing, the EC seeks "to prepare for large-scale use of biofuels, and to support developing countries where biofuel production could stimulate sustainable economic

growth." EU Development Commissioner Louis Michel stressed the potential export possibilities for developing countries, especially those affected by recent EU sugar reforms which cut the purchase price of sugar from African, Caribbean and Pacific countries. The African, Caribbean and Pacific (ACP) group of countries welcomed the initiative last week, but warned that "a secure and substantial fund" should be created specifically for the ACP sugar protocol countries.

While WWF, Birdlife International and the European Environmental Bureau (EEB) welcomed the Commission's commitment to ensuring the environmental sustainability of biofuels, the non-governmental organisations said they were concerned that the new strategy did not guarantee that wildlife would not be harmed. They argued that there was a danger that growing crops for fuels in developing countries could lead to biodiversity losses by, for example, the clearing of rainforest for agricultural production. WWF therefore demanded the introduction of mandatory eco-certification for all biofuels produced in the EU or imported from outside.

"Commission urges new drive to boost production of biofuels," EUROPEAN COMMISSION, 8 February 2006; "The European Union says increased use of biofuels in developing countries could bring huge benefits, especially to those affected by the bloc's sugar reform," IPC, 8 February 2006; "WWF asks for mandatory eco-certification for biofuels," WWF EUROPE, 8 February 2006; "Birdlife urges caution in biofuel drive," BIRDLIFE INTERNATIONAL, 8 February 2006; "Farm commissioner pushes case for biofuels," EurActiv, 10 February 2006.

TANZANIAN GOVERNMENT BANS LOG EXPORTS AGAIN

The Tanzanian government on 27 January decided to ban exports of logs and sandalwood and suspend tree harvesting in protected natural forests in order to address illegal logging. Unlike a similar ban that was in place between October 2004 and August 2005 to safeguard endangered species, give local manufacturers an opportunity to process logs and higher value-added exports of wood products, the 27 January decision was taken in reaction to unsustainable harvesting of timber and the transportation of logs without proper or with forged permits. Timber exporters reacted against the ban, pointing to export permits that were granted in December 2005 with a validity period until March 2006. "We have genuine permits to export logs and sandalwood but this indefinite ban

will cost us more than US\$ 4.6 million, because we will fail to transport the logs," Juma Idd, Chairman of the Tanzanian forest product exporters association, said. Nonetheless, Saleh Pamba, permanent secretary of the Ministry for Natural Resources and Tourism, pointed out that traders were in contravention of Act No. 14 of 2002 by undertaking harvesting and trade that threatened Tanzania's 44 million hectares of forests and rich biodiversity. As a result of impacts on industries in need of the logs and firewood which provide the most common source of energy, however, the government on 9 February issued special transit passes to allow dealers whose products were not sold after the government decided to ban trade to sell their products within Tanzania until the stocks harvested before the ban are exhausted.

"Tanzania's Move to Save Its Forests Angers Loggers," EAST AFRICAN, 7 February 2006; "Dealers in forest products get temporary permits," GUARDIAN, 10 February 2006; "Tanzania bans log exports again," XINHUA, 2 February 2006; "Rufiji forests under threat as traders defy logging ban," GUARDIAN, 12 July 2005.

EU DELAYS WOOD PALLET RESTRICTIONS ONCE MORE

On 6 February, the European Commission adopted a directive (2006/14/EC) that delays a requirement that wood packaging used to import products into the EU be bark-free until January 2009 to allow time for consideration of the measure by members of the International Plant Protection Convention (IPPC). The EC decision to allow the international community to determine the legitimacy of the measure was taken after complaints from the US that the new rules under Commission Directive 2004/102/EC, which are intended to prevent tree-eating insects from entering into the EU, would disrupt the US\$ 80 billion worth of exports that the US sends to Europe annually using wood pallets (see Bridges Trade Biores, 18 February 2005, <http://www.ictsd.org/biores/05-02-18/inbrief.htm#2>). The IPPC's "Guidelines for regulating wood packaging material in international trade" (ISPM-15), which are recognised by the WTO, only approves of heat treatment and fumigation by methyl bromide as legitimate pest control measures (see Bridges Weekly, 3 November 2004, <http://www.ictsd.org/weekly/04-11-03/story3.htm>). While recognising that requirements for bark-free packaging ('debarking') is an option, the standard requires that any country adopting this measure must demonstrate that it is

"technically justified". Instead of doing so, the EU has decided to ask the IPPC to revise the standard to include debarking requirements along with heat treatment and methyl bromide fumigation as legitimate measures, which the IPPC's Commission on Phytosanitary Measures (CPM) will do in April 2006. The original March 2005 implementation of the requirement has been postponed from March 2005 to March 2006, and the new January 2009 date will be reviewed by September 2007.

The use of methyl bromide, while allowed under ISPM 15 for fumigation purposes, is known to cause ozone depletion and is to be phased out under the Montreal Protocol -- although an exemption allows its use for fumigation. Sources suggested that the Protocol's technical assistance funds could be used to facilitate a transition to the use of heat treatment or debarking for pest control for wood pallets to enable the use of environmentally-friendly -- though more costly -- control methods (see Bridges Trade BioRes, 20 January 2006, <http://www.ictsd.org/biores/06-01-20/inbrief.htm#6>).

ICTSD Reporting; "EU votes to delay debarking requirement for wood packaging material," USDA GLOBAL AGRICULTURAL INFORMATION NETWORK, 7 February 2006; "Commission Directive 2006/14/EC of 6 February 2006," OFFICIAL JOURNAL OF THE EUROPEAN UNION, 7 February 2006; "EU delays packaging rules on tree-eating insects," REUTERS, 7 February 2006.

Events and Resources

EVENTS

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

13-24 February, New York City, US: UNITED NATIONS FORUM ON FORESTS 6 (UNFF-6). This meeting will take up the question of the nature of the global governance of forests and the promotion of sustainable forest management, including looking at

indicators, and whether a voluntary or legally-binding instrument should be created on forests. For further information contact the UNFF Secretariat, tel: (+1-212) 963-3160; fax: 367-3186; email: unff@un.org; Internet: <http://www.un.org/esa/forests/session.html>

15-16 February, Jakarta, Indonesia: WORKSHOP ON THE WILD POPULATION STATUS AND TRADE DYNAMICS OF HUMPHREAD WRASSE CHEILINUS UNDULATUS in Indonesia. The Humphread (Napoleon) wrasse, *Cheilinus undulatus*, was listed on Appendix II of CITES (Convention on International Trade in Endangered Species – for more information see: <http://www.cites.org/>) in October of 2004. It was listed because it is considered to be actually or potentially threatened by current exploitation levels or disturbances if these persist. This meeting, organized by LIPI (Indonesian Institute of Sciences) and co-organized with T-SEA, assisted by the IUCN Specialist Group for Groupers and Wrasses, aims to enable a preliminary presentation of trade and UVC data collected and to identify remaining data and information gaps. For further information visit <http://www.humphreadwrasse.info/page/cites.html>

20-24 February, Montreal, Canada: SECOND MEETING OF THE OPEN-ENDED AD HOC WORKING GROUP ON LIABILITY AND REDRESS IN THE CONTEXT OF THE BIOSAFETY PROTOCOL. Organised by the Secretariat of the Convention on Biological Diversity. For further information, contact the Secretariat, tel: +1 514 288 2220; fax: 288 6588; email: secretariat@biodiv.org; Internet: <http://www.biodiv.org/doc/meeting.aspx?mtg=BSWGLR-02>

20 February - 20 March, Online: VIRTUAL CURITIBA BIODIVERSITY CONFERENCE (VCBC). The purpose of this on-line mega-consultation process, organized by the Secretariat of the Convention on Biological Diversity, is to gather opinions on how to achieve the 2010 biodiversity target of the CBD. The outcome of this consultation will assist the Eighth Meeting of the Conference of the Parties (COP 8) to be held in Curitiba, Brazil, from 20 to 31 March 2006, and particularly its High-Level Ministerial Segment, in addressing this crucial issue. Participants are encouraged to sign up online and express their opinions on how to achieve the 2010 biodiversity target in English, French, Spanish, Portuguese, Chinese or Russian. For further information, visit <http://2010.biodiv.org>

21-22 February, 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>

23 February - 2 March, Perth, Australia: SHARING THE FISH CONFERENCE. Organised by the Western

Australian Department of Fisheries (DoF) in cooperation with the Food and Agriculture Organization (FAO) of the United Nations, this conference will focus on a broad spectrum of allocation issues presented by speakers from around the world who represent government, industry and various stakeholder interests. The concept of allocation issues is one of increasing national and international interest to those involved in fisheries management. For further information, contact Peter Millington, tel: (+61 8) 9387 1488; fax: 9387 1499; email: info5@eventedge.com.au; Internet: <http://www.fishallocation.com.au/>

1-3 March, Geneva, Switzerland: OPEN FORUM ON THE DRAFT SUBSTANTIVE PATENT LAW TREATY (SPLT). This forum, organized by the World Intellectual Property Organisation (WIPO), will include sessions on the harmonization of substantive patent law: purpose, approaches and limits; subjects of patent law proposed for harmonization; patents as a source of information and innovation, transfer of technology and licensing practices; new technologies and their specificities; and the interface of the patent system with other areas of public policy. For further information contact the patent law section of WIPO, tel: (+41 22) 338 8332; fax: 338 8830; email: patents.mail@wipo.int; Internet: http://www.wipo.int/meetings/2006/scp_of_ge_06/en

Other forthcoming events

7-8 April, New Delhi, India: INTERNATIONAL WORKSHOP ON CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT. This workshop, organised by Department of Economic and Social Affairs (DESA) and The Energy Research Institute (TERI), will explore the linkages between climate change and sustainable development. The workshop will also aim to identify gaps in the understanding of the linkages between climate change and sustainable development, examine and discuss analytical tools to improve the understanding of the link between climate change and sustainable development, and assist countries to integrate adaptation and mitigation strategies and policies into national sustainable development plans and strategies. For further information contact internet: http://www.un.org/esa/sustdev/sdissues/climate_change/programme.pdf.

3-8 July, Lima, Peru: 16TH MEETING OF THE CITES PLANTS COMMITTEE. This meeting will include regional reports, discussion of trade in alien invasive species, hoodia and trade in timber species, 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 Prof. Dra. 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>

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>

18-21 July, Dar-es-Salaam, Tanzania: RECENT ADVANCEMENT IN PLANT BIOTECHNOLOGY RESEARCH AND ITS POTENTIAL APPLICATIONS TO PLANT PROTECTION IN EAST AFRICA. This symposium, organised by the African Plant Molecular Biologists Network (EAPMBNet), will serve as a forum for participants from different countries to present and share the most recent advances in plant biotechnology and molecular biology research and their applications to plant pests and diseases of importance to East African and African crops. The major objective of the network will be to bring together scientists in the field of plant molecular biology and biotechnology in the East African region, for collaborative benefits. For further information contact Joseph Ndunguru, tel: (+255 748) 868390; email: jndunguru2003@yahoo.co.uk; Internet: <http://africancrops.net/biotecnet/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 smohan@icts.dh.

TRADE AND ENVIRONMENT REVIEW 2006. By the UN Conference on Trade and Development (UNCTAD), January 2006. The TER 2006 focuses on environmental and related health requirements and their impact on developing countries' access to other markets. It examines both the opportunities and challenges presented by these requirements, which are increasingly stringent, complex and multi-dimensional. The TER includes both general and sectoral analyses of the issue, and looks at two sectors where environmental requirements are critical to market access: electrical and electronic equipment and organic agricultural products. The evidence presented in the TER supports recommendations for developing countries to adopt a more strategic and proactive approach to coping with environmental and related health requirements in export markets. To access the review, visit http://r0.unctad.org/trade_env/test1/publications/TER2006all.pdf.

TRADE, AID AND SECURITY – SIX KEY OBJECTIVES. By IISD and IUCN-The World Conservation Union (January 2006). The Trade, Aid and Security initiative has focused on the way in which trade in natural resources can contribute to violent conflict at the sub-state and international level, and on the role of foreign aid and trade liberalization—in tandem or in isolation—in

accelerating or alleviating this downward spiral. If trade and aid policy is to support peace and security rather than increasing the likelihood and longevity of violent conflict, we believe policy-makers should focus their attention and efforts on six key objectives. The six briefs (i) explain why each objective is critical to security between and within states; (ii) assess current initiatives that attempt to realize that objective; and (iii) make recommendations for future action. To access the briefings, visit http://www.iisd.org/security/tas/research_ko.asp

LEARNING MODULE: LAW AND POLICY OF RELEVANCE TO THE MANAGEMENT OF PLANT GENETIC RESOURCES. Edited by S. Bragdon, C. Fowler, Z. França and E. Goldberg (SGRP, IPGRI, and IFPRI 2005). This learning module, first published in 2003, has been revised and published in 2005, to include a regional learning plan on review of regional policy instruments, developments and trends., the second edition is produced by the CGIAR System-wide Genetic Resources Programme (SGRP), the International Plant Genetic Resources Institute (IPGRI) and the International Food Policy Research Institute (IFPRI). It is aimed to managers of plant genetic resources and policy makers. To access the module, visit <http://www.ipgri.cgiar.org/training/policytrainingmodule/>

MEETING THE CHALLENGE OF THE RESOURCE CURSE: INTERNATIONAL EXPERIENCES IN MANAGING THE RISKS AND REALISING THE OPPORTUNITIES OF NON-RENEWABLE NATURAL RESOURCE REVENUE MANAGEMENT. By the Overseas Development Institute (January 2006). Countries endowed with non-renewable natural resources are faced with substantial opportunities, but also great risks. Substantial international experience has accumulated on how to manage the risks and realise the opportunities of upstream oil, gas, metals and minerals development and export. The question is what should governments and donors do about this coincidence? What combination of revenue management principles, competitiveness and economic policy, institutional reform, good governance and aid architecture is it right to adopt? To access the publication, visit http://www.odi.org.uk/pppg/activities/country_level/odpci/msp/sector1.html#UNDPResCurse

EU AND U.S. ORGANIC MARKETS FACE STRONG DEMAND UNDER DIFFERENT POLICIES. By Carolyn Dimitri Lydia Oberholtzer (Amber Waves, February 2006). This article compares EU-15 and US policies regarding organic agriculture, and compares the farm sector and retail markets in the two regions. To access the article, visit <http://www.ers.usda.gov/AmberWaves/February06/Features/feature1.htm>

RESOURCE-CONSERVING AGRICULTURE INCREASES YIELDS IN DEVELOPING COUNTRIES. By J. N. Pretty, A. D. Noble, D. Bossio,

J. Dixon, R. E. Hine, F. W. T. Penning de Vries, and J. I. L. Morison, in *Environmental Science & Technology* 40 (4), 1114-1119 (February 2006). This international study finds that poor farmers in developing countries can substantially improve both their yields and livelihoods by adopting resource-conserving practices. It reviewed 286 recent attempts to introduce such practices on more than 12 million farms in 57 countries, mostly in Africa, and assessed how yields change when farmers using approaches such as less tilling to conserve soil, integrated pest management. Yields increased by an average of 79 per cent and harvests of some crops such as maize, potatoes and beans doubled. As well as causing less damage to the environment, 'conservation agriculture' also improved farmers' wealth by, for instance, reducing their reliance on costly pesticides. The study concludes that while it is not clear whether these techniques can meet future food needs in developing countries, poor households have most to gain from adopting them. To access the publication, visit <http://pubs.acs.org/cgi-bin/abstract.cgi/esthag/2006/40/i04/abs/es051670d.html>

OVERVIEW OF THE WORLD'S COMMODITY EXCHANGES. By the UNCTAD secretariat (January 2006). As this study shows, developing country exchanges are now challenging the century-old primacy of their developed-country peers. In 2004, two of the world's largest commodity exchanges were in a developing country, China. In 2005, two other exchanges, both from India, joined them. UNCTAD should help Africa set up its own commodity exchange, said government officials looking at ways for developing countries to overcome their commodity problems. How to help small farmers and solutions for managing commodity resources were among the other issues examined. To access the study, visit <http://www.unctad.org/Templates/Page.asp?intItemID=3701&lang=1>

EXPLORING THE LINKAGES BETWEEN POVERTY, MARINE PROTECTED AREA MANAGEMENT, AND THE USE OF DESTRUCTIVE FISHING GEAR IN TANZANIA. By Patricia Silva (World Bank, January 2006). Coastal resources in Tanzania have come under increasing pressure over the past three decades, which has led to a significant decline in the biodiversity and productivity of coastal ecosystems. The livelihoods of coastal communities that directly depend on these resources are consequently under increasing threat and vulnerability. Marine protected areas (MPAs) are one tool for

managing coastal and marine resources that have been increasingly used in Tanzania. Promotion of alternative income generating activities (AIGAs) is often a component of MPA management strategies to reduce fishing pressure and address poverty concerns. This paper investigates the linkages between household characteristics, MPA activities, and household choice of fishing gear. To access this report, visit http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2006/01/24/000016406_20060124164343/Rendere d/INDEX/wps3831.txt.

THE NEW INTERNATIONAL BENCHMARK STANDARDS FOR ENVIRONMENTAL AND SOCIAL PERFORMANCE OF THE PRIVATE SECTOR IN DEVELOPING COUNTRIES: WILL IT RAISE OR LOWER THE BAR? By Michael Warner (Overseas Development Institute, February 2006). The International Finance Corporation (IFC) is preparing to launch a new set of business standards for managing environmental and social risks that clients of the IFC who enter into project finance, equity investment, corporate finance or intermediary finance deals with IFC will shortly have to comply with. The standards represent a wholly new mechanism for deciding, investment-by-investment, where the 'bar' on environmental and social performance should lie in the first place. No longer are clients to commission isolated ESIA studies, outsourced to external consultants. Instead, there will be a single, comprehensive, risk and opportunities management framework, fully integrated with the core of the business. To access this article, visit http://www.odi.org.uk/publications/opinions/66_stand ards_Feb06.pdf

ELECTRONIC RESOURCE

NANOCHINA.CN. By the Institute of Nanotechnology (IoN), February 2006. Published both in English and Chinese, NanoChina will act as a bridge between the nanotechnology sectors in China and the rest of the world. In particular, the website will focus on fostering trade relationships between nanotech companies in China and business organisations in the West. NanoChina will provide all the latest news about the nanotechnology developments that are taking place in China and in the rest of the world. The site will also offer nano reports, a list of nano events, translating services, a free newsletter, advertising services, free associate membership and a unique nano-business match-making venture. To access this website, visit <http://www.nanochina.cn/>

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