



Bridges Trade BioRes

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

GC-24/GMEF ISSUE

2 February 2007

Commentary	1
Trade Negotiations	3
Climate & Energy.....	4
Agriculture.....	5
Biodiversity	8
In Brief	9
Events & Resources.....	12

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

Commentary

CONTINENTAL COLLISION: REFLECTIONS ON GLOBALISATION AND THE ENVIRONMENT

Geologists tell us that the earth's continents were once joined in a single land mass. We can imagine that many species of plant and animal ranged widely across the super-continent. When the continents that we now inhabit began to move apart, we can likewise imagine that the separation of different populations led eventually to the evolution of distinct species. The unique flora and fauna of the world's islands is eloquent testament to the power of separation.

Suppose that human societies existed in that remote time, with much more limited means for travel and communication than we enjoy today. We can imagine that a long physical separation due to continental drift would likewise lead to the emergence of diverse human communities, with different languages, cultures, religions, political and economic institutions. In fact, that is more-or-less what actually occurred, as large human populations were separated for millennia by oceans, mountains and deserts, combined with a lack of modern communications and transport technology.

So what would happen if the continents were suddenly brought together again? Plant and animal species that had evolved separately would spread out and compete. Some species might disappear while new hybrids would emerge. The process might be chaotic and destructive but it would also be dynamic and creative.

Colliding continents may be a melodramatic metaphor for globalisation, but it may convey some sense of the scope and scale of change that we are undergoing or, should I say, the change that we are perpetrating upon ourselves.

What happens when long-separate human societies are brought suddenly together is not so different. Recent history offers a sad record of human conflict arising from the so-called "clash of civilizations", although it also records new forms of cooperation, hybridisation and innovation that have emerged from social interaction.

"Globalisation" is short-hand for global integration. Most people focus on the economic dimension -- namely increasing international trade and investment -- but globalisation includes many other forms of integration: social, cultural, linguistic, political, technical and also environmental.

The wide scope of globalisation naturally evokes interest from many quarters.

The trade and investment community wants to make sure that globalisation's promise of market access and non-discrimination is fulfilled.

The development community wants to ensure that the poorest countries benefit from globalisation, and that no one is left behind.

Labour unions are concerned that the process of globalisation should not result in a dilution of labour standards, or slow progress towards fair and equal treatment of workers -- what some people have called "social dumping".

And of course the environmental community wants to ensure that globalisation does not result in a “race to the bottom” -- as countries compete to attract or retain industry and jobs by lowering environmental protections. In addition, environmentalists have many other concerns about globalisation, such as:

- The spread of human disease and invasive alien species, through increased travel and trade. The West Nile virus has spread throughout the United States, just a few years after appearing on the East Coast in 1999. The costs of invasive alien species are not well documented but are estimated at billions of dollars a year from pests and disease, with some estimates as high as 5 percent of global economic output lost (Pimental et al. 2001).

- The integration of agricultural markets and the adoption of energy and chemical-intensive technologies. While this has improved food security, it has also resulted in ecological simplification. Farmers around the world increasingly rely on the same few crops and cultivars, while many thousands of traditional local varieties have all but disappeared. Putting all our agricultural eggs in so few baskets puts us all at risk in the event of pest or disease outbreaks.

- The rapid expansion of trade in biological resources. Globalisation has been very effective at boosting demand and increasing the flow of goods and services. Unfortunately, our governance systems are no match for markets (or the mafia). In the case of forests, for example, trade booms have frequently led to ecological busts, as high-value timber is harvested, often illegally, and sold to the highest bidder with no consideration of long-term sustainability.

- New, global environmental challenges have emerged which require a global response. Climate change is the best-known example but other issues include over-exploitation of marine fisheries, nitrogen deposition, persistent pollutants, etc. Most of these problems are getting worse, fast, with increasingly obvious consequences for human populations.

The problem, of course, is that our institutions have not kept pace with the problems we have created for ourselves. Global cooperation on environmental management is not exactly the best advertisement for the human race!

Looking on the bright side, globalisation has engendered real strengths that we can bring to bear on global environmental challenges. For example:

- Communication is pretty much instantaneous now -- if anyone finds a solution, we'll all hear about it quickly.

- Industrial production and distribution is increasingly integrated at a global scale -- if we really need to produce something -- a vaccine for bird flu, for example -- we can do it on a massive scale and get products to people everywhere more quickly than ever.

- Science has gone global. Basic breakthroughs and new applications are shared and copied with increasing speed. Although technical expertise is unevenly spread around the world, and concerns about intellectual property still impede the flow of products and information, the fact remains that science is increasingly a global endeavour, no longer the preserve of a tiny elite in a handful of rich countries.

- Public awareness of global environmental problems is far better than it was (perhaps partly because the problems themselves are worse). More importantly, public expectations of politicians and the business community with respect to the environment have also risen, making it more difficult to continue with narrow-minded or self-serving policies.

Globalisation is not going to stop and wait for us to get our act together. The immense reservoir of under-employed humanity in China and India alone is sufficient to power the engine of global economic integration and market growth for decades to come (provided of course that politicians and their electorates continue to support the process of poverty reduction through trade).

The real question is what the environmental community can do to influence the process of globalisation in ways that support rather than undermine sustainable development. Some priorities include:

- Strengthen the capacity of developing countries to anticipate the impacts of globalisation on their environments, and respond in a timely fashion;

- Strengthen the capacity of international institutions to assess and address new global

environmental challenges, such as invasive alien species, climate change, over-fishing on the high seas, etc.

- Increase public awareness of global environmental problems but also practical solutions that work with the logic of globalisation rather than against it;
- Build consensus within the scientific community on global environmental priorities and effective policy responses; and
- Engage and enlist the full power of business to support the greening of globalisation.

By Joshua Bishop, IUCN

Trade Negotiations

DOHA ROUND NEGOTIATIONS OFFICIALLY RE-LAUNCHED

The Doha round talks are set to resume full-scale again. On 31 January, WTO Director-General Pascal Lamy told a heads-of-delegation meeting in Geneva that Members would resume "negotiations fully across the whole spectrum." This decision followed shortly on a meeting between nearly 30 ministers on 27 January at the sidelines of the World Economic Forum annual summit in Davos.

The round has been suspended since last July, primarily over deep divisions on farm trade. Officials have continued to meet informally since then, especially after a 'soft' relaunch of discussions in November (see BRIDGES Weekly, 22 November 2006, <http://www.ictsd.org/weekly/06-11-22/story1.htm>).

Meanwhile, also on 31 January, US President George W. Bush called on Congress to renew his 'trade promotion authority' (TPA) mandate, currently set to expire at the end of June. Under the TPA, Congress can accept or reject trade agreements the administration has negotiated, but cannot make changes to them. Extending the TPA is widely believed to be essential to concluding the Doha Round in the foreseeable future. Also in Washington this week, the administration tabled its proposals for future farm spending (see related story, this issue), which will weigh heavily on farm subsidy negotiations at the WTO.

Talks continuing in many forms

In re-launching the talks, Lamy told negotiators to "be prepared for the intensification of the work in the negotiating groups in the weeks to come at the initiative of the chairs." He also asked them to "engage constructively in this phase with full convictions that this deal is doable." The Geneva-based delegations generally welcomed the resumption of the talks.

Resuming regular activity in Geneva means that the negotiating groups will once again start holding regularly-scheduled meetings, in either formal or off-the-record mode, suggest sources. The pace of informal discussions over the past two months had been largely left up to the chairs of each group. Members have also met intensely in bilateral and small-group settings, with developing countries complaining of a lack of transparency. With the relaunch of official negotiations, Lamy promised that "the process would be bottom-up, inclusive and transparent, but continue to allow for more discreet, informal, or bilateral, discussions."

Crunch issues: Focus shifts to 'reverse engineering'

Agriculture continues to be one of the main crunch issues for negotiators. In order for WTO Members to reach a deal, trade observers believe that the US must agree to deeper cuts to its ceiling on trade-distorting farm subsidies and the EU must offer more agricultural market access. In addition, developing countries, such as Brazil and India, must further reduce their industrial tariffs.

In terms of their negotiating approach, Members feel that negotiating 'headline' percentage figures for overall tariff and subsidy cuts first, and only then discussing exemptions had failed to produce a deal, especially on agriculture.

In recent weeks, negotiators from several countries have been attempting the reverse: to flesh out details about the various exemptions and rules that will determine the actual extent to which market access will grow and subsidy spending be restrained, and use them to "reverse engineer" an overall accord.

US Trade Representative Susan Schwab said that the new "focus on key sensitivities and key priorities and then reverse engineering [them] into top line number is a promising approach," one that "has a

chance of success" (see BRIDGES Weekly, 17 January 2007, <http://www.ictsd.org/weekly/07-01-17/story1.htm>). She stressed, however, that a great deal of technical work still remained to be done for the contours of a possible deal to become apparent.

Broad differences appear to persist between the US and the EU in the agriculture negotiations. In Davos and Geneva, EU Trade Commissioner Mandelson repeatedly expressed the belief that the "emerging landing zone" for an accord would be around a proposal by the G-20 group of major developing countries, "even if we [the EU] cannot meet it precisely." "Bidding for more would assuredly commit us to failure," he said.

The G-20's proposed 54 percent average farm tariff cut is well below the 66 percent average cut sought by the US, though still higher than anything Brussels has offered. Asked about the EU trade chief's remarks, Schwab said "I don't think we know where a landing zone is."

A crucial set of 'non-headline' figures for many developing countries will be the number and treatment of 'special' farm products that they will be allowed to slate for gentler tariff cuts based on food security, livelihood security, and rural development concerns. Ministers representing the G-33 group (which was formed in support of special products) present in Davos called for placing the concerns of poor, small-scale farmers "at the forefront of all concerns". They stressed that "developing countries need time and policy space to improve their poor farmers' productivity and incomes, and to curtail the risk of dislocation from agriculture from unmanageable agricultural trade liberalisation."

Getting closer to conclusion?

According to Lamy, "The political conditions are ... more favourable for the conclusion of the round than they have been for a long time." In Davos he said he would convene a ministerial-level gathering to take political decisions if and when it became appropriate. "It won't be tomorrow," he cautioned, however.

EU Trade Commissioner Peter Mandelson said that the talks were "back in business" and "in the endgame." "This is going to end in success or failure in the next two to three months," he stressed following the Davos mini-ministerial. Schwab, on the other hand, said that "just as the last several months have been months of very intensive, quiet

consultations and discussions, I suspect the next several months will be characterised by much of the same."

Although Geneva-based trade diplomats say that they have been given a firm mandate to "try to bring the round to closure," many doubt that the major players will be able to bring themselves to a compromise in the time available. Some developing country ambassadors shared scepticism that the US and the EU would be able to take the steps necessary for a deal. Nevertheless, the pace - if not necessarily the substance - of negotiations in Geneva seems set to intensify.

ICTSD reporting; "WTO Members Told to Restart Negotiations," AP, 1 February 2007; "WTO backs call for full-scale Doha talks resumption," REUTERS, 1 February 2007; "House Democrat seeks way forward on trade," REUTERS, 30 January 2007; "White House urges renewal of Bush trade authority," REUTERS, 29 January; "Democrats Say They Intend to Reshape Bush's Trade Authority," DOW JONES, 30 January 2007; "Ministers agree to resume WTO talks; Blair upbeat," REUTERS, 29 January 2007; "World trade negotiators 'back in business'," REUTERS, 27 January 2007; "Ministers inject fresh life into Doha talks," FINANCIAL TIMES, 28 January 2007; "Plan to Revive Trade Talks Is Offered in Davos," NEW YORK TIMES, 28 January 2007.

Climate & Energy

LANDMARK CLIMATE REPORT LINKS HUMAN ACTIVITY TO GLOBAL WARMING

The Intergovernmental Panel on Climate Change (IPCC) -- the scientific body examining global climate research -- used unprecedented language in its fourth report to describe human impact on the climate system. According to the IPCC, global warming was "very likely" caused by human activity. On 2 February, the panel, comprising 2500 scientists from more than 130 nations and representatives of 113 governments, released a 21-page summary of its report, which is regarded as the 'most authoritative science' on global warming.

The report, entitled "Climate Change 2007: The Physical Science Basis," states that "most of the observed increase in globally averaged temperatures since the mid-20th century is very likely due to the observed increase in anthropogenic (human) greenhouse gas concentrations." These levels are the highest seen in 650,000 years. According to news sources, the phrase "very likely" in IPCC terminology means a greater than 90 percent

probability. The report also forecasts a probable temperature rise between 1.8-4C by 2100, though increases as small as 1.1C or as large as 6.4C are possible. This is a much wider range than was found in the previous third IPCC Assessment Report from 2001, which forecast a range between 1.4 and 5.8C. The 2001 report stated that it was only "likely" that human activities lay behind the trends observed at various parts of the planet; "likely" meaning between a probability of between 66 and 90 percent.

The report projects a rise in sea levels of between 18 and 59 cm this century. Other notable projections include the disappearance of Arctic summer sea-ice in the second half of the century, an increase in heatwaves and in the intensity of tropical storms, and increased desertification.

Dr Rajendra Pachauri, the IPCC chair, noted that as the report was discussed and debated by governments and the final content based on consensus, it had the stamp of acceptance by all governments. This provided credibility to what he termed a 'massive scientific undertaking.'

According to Achim Steiner, the head of the UN Environment Program, "February 2, 2007 may be remembered as the day the question mark was removed from whether (people) are to blame for climate change." He also urged governments to inject more momentum into stalled talks on long-term cuts in emissions (see Bridges Trade BioRes, 1 December 2006, <http://www.ictsd.org/biores/06-12-01/story2.htm>).

Calling the report "a comprehensive and accurate reflection of the current state of climate change science," Sharon Hays, Associate Director of the White House Office of Science & Technology Policy added that President George Bush had "put in place a comprehensive set of policies to address what he has called the 'serious challenge' of climate change" and that the current set of policies are working (see Bridges Weekly, 31 January 2007, <http://www.ictsd.org/weekly/07-01-31/story4.htm>).

French president Jacques Chirac said "we are on the verge of the irreversible," while David Milliband, the UK Environment Secretary declared that the "debate over the science of climate change is well and truly over" and called for international political commitment to take action. He stated that the report would provide "a strong evidence base

needed to move the prospects of agreement closer." Sounding a warning note, Stephanie Turnmore from Greenpeace remarked that if the last IPCC report was a wake-up call, this one was a screaming siren.

This scientific report is the first of four reports that will together constitute the IPCC's Fourth Assessment Report. While it looks at the science of climate change, the forthcoming ones will look at impacts, adaptation and vulnerability and mitigation. Finally, a synthesis report will also be released in time for the UN Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP-13) in December in Indonesia. According to Dr Pachauri, the synthesis report would not be 'policy-prescriptive' but would be 'highly policy relevant'.

The IPCC was established by the UN Environment Programme and the World Meteorological Organisation in 1988 with a role to assess the scientific basis of risk of human-induced climate change, its potential impacts and options for adaptation and mitigation. The IPCC's assessments are based on peer reviewed and published scientific and technical literature. The first assessment report was published in 1990.

Additional resources

The Summary for Policy-makers of "Climate Change 2007: The Physical Science Basis" is available at <http://www.ipcc.ch>.

"Human Blamed for Climate Change," BBCNEWS, 2 February 2007; "At a Glance: IPCC report," BBCNEWS, 2 February 2007; "U.N. Climate Panel Says Warming is Man-made," REUTERS, 2 February 2007; "FACTBOX-U.N. Climate Panel Report," REUTERS, 2 February 2007; "Q&A: The IPCC Report on Global Warming," GUARDIAN UNLIMITED, 2 February 2007.

Agriculture

US RELEASES DRAFT FARM BILL; TRADING PARTNERS CHALLENGE CORN SUBSIDIES

On 31 January, the US administration unveiled a first draft of its new farm bill, set to replace the current bill from 2002 that expires in September. US trading partners are scrutinising the new farm bill with a keen eye, looking for signals that the US would be willing to cut subsidies -- something they are calling for in order to revitalise and conclude the

newly-resurrected Doha round (see related story, this issue).

Among the new measures, the draft farm bill seeks to address features challenged by the US' trading partners at the WTO, including countercyclical payments that give farmers extra compensation during times of low international commodity prices. It would also earmark money for bio-energy development.

In related news, Canada -- along with a large number of other US trading partners -- recently challenged US corn subsidies at the WTO, in part to influence the rewrite of the farm bill.

Farm bill to address countercyclical payments

Unveiled by US Agriculture Secretary Mike Johanns, the new farm bill builds on the current one, cutting payments by US\$18 billion over a five-year period (the price tag attached to the 2002 farm bill amounted to US\$105 billion).

Of interest from a trade perspective, the farm bill seeks to replace current price-based countercyclical payments with revenue-based payments. Such direct payments could be classified as allowable "green box" payments at the WTO. While corn farmers have welcomed the move, other commodity producers are against it. Elements of the countercyclical payments were ruled illegal in a case brought to the WTO by Brazil targeting US cotton subsidies (see BRIDGES Weekly, 9 March 2005, <http://www.ictsd.org/weekly/05-03-09/story1.htm>).

The new farm bill would also remove planting flexibility limitations. In the cotton case, certain direct payments not targeted at any specific crop were nonetheless deemed by the WTO to fall within the amber box of trade-distorting capped payments -- precisely because flowers and wild rice were excluded from eligibility. Because of this flexibility limitation, the payments were not eligible for classification as 'green box' support that distorts neither production nor trade. When these payments are counted as amber box support, the US appears to have exceeded its overall farm subsidy allowances.

In addition, the new farm bill would increase environmental funding by 20 percent to US\$8.7 million over five years. The bill contains US\$1.6 billion in new funding for renewable energy

research, development and production, and US\$2.1 billion in guaranteed loans for cellulosic ethanol projects. US\$500 million would be invested in bio-energy and bio-based product research.

The bill also earmarks increased funding for social programmes, targeting beginning or socially disadvantaged farmers, and renewing the food and nutrition programmes for the poor. In addition, there would be payment ceilings targeting the wealthiest recipients, which now capture the lion's share of US farm subsidies. These cuts would be realised through a cap on payments to farmers earning more than US\$200,000 in on and off-farm income, down from the current cap at US\$2.5 million.

The new bill would also dedicate US\$400 million "to expand exports, fight trade barriers, and increase involvement in world trade standard-setting bodies."

Before it enters into force, Congress must approve the farm bill.

Reactions

Key US trading partners reacted cautiously to the draft farm bill. "If we are to have a successful outcome to the Doha Round, the US will need to propose more ambitious cuts and disciplines in trade-distorting domestic farm subsidies," said a spokesperson for the EU. Australian Government Minister for Trade, Warren Truss said "the overall program reductions proposed by Mr Johanns are an important improvement," adding however that "Australia has always held the firm view that these programs are trade distorting and should be phased out altogether."

Internally, the American Farm Bureau Federation (AFBF) generally prefers keeping the farm bill as is, and objected against the concept of payment caps. The AFBF has also opposed making any changes before a Doha deal is reached, as this would reduce US negotiating leverage.

According to Sherman Katz, a trade analyst at the Carnegie Endowment for International Peace, the Doha talks will not necessarily influence the farm bill. He commented that the debate will "move rapidly on its own steam and in its own direction unless and until something's coming from Geneva and the Doha Round which pushes it in a different direction."

US corn subsidies challenged at the WTO

On 8 January, Canada initiated WTO dispute proceedings against a wide range of US corn and other agricultural subsidy programmes. Argentina, Australia, Brazil, the EU, Guatemala, Thailand and Uruguay recently joined in the complaint.

The Canadian government alleges that the US has exceeded its legal limit for trade-distorting subsidies in five of the past eight years. It is also specifically targeting the billions of dollars that Washington pays to corn farmers, charging that they have distorted world prices and hurt producers in Canada.

The complaint follows along the lines of Brazil's successful WTO case against US support for cotton growers in 2005.

Corn singled out...

Ottawa is alleging that US subsidies hurt Canadian farmers and violate its own WTO obligations. It is targeting several types of payments under the US' 2002 farm bill, its 1996 equivalent, and a raft of disaster assistance bills and other legislation on agriculture dating as far back as 1978.

Specifically with regard to corn, Canada claims that direct and indirect governmental support to the US corn industry allows US producers to undercut their Canadian counterparts and cause 'serious prejudice' to their interests, in violation of the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement).

...but domestic support broadly targeted

Canada also contends that the US, through the "improper exclusion" of some payments from its domestic support calculations, was actually in excess of its annual limit for providing trade-distorting support to farmers in 1999, 2000, 2001, 2004 and 2005. This would violate both the SCM Agreement and the Agreement on Agriculture.

Since 2000, the US has been allowed to provide its farmers up to US\$19.1 billion in 'amber box' subsidies. Allegations about US subsidy spending are complicated by the fact that Washington has not formally notified its agricultural subsidies to the WTO since spending under the 2002 farm bill came into effect.

Ottawa argues that a series of US domestic support programmes - direct payments, production flexibility contract payments, counter-cyclical payments, market loss assistance payments (under 'emergency' legislation compensating farmers for low prices) - are linked to production decisions and thus should properly be classified as amber box support. Counting these programmes against the limit for amber box spending, however, puts the US over the allowable total.

In a further claim, Canada's request said that the US provides some better-than-market-rate loans specifically to exporters. This, it contended, is incompatible with Washington's own export subsidy commitments, as well as the SCM Agreement's prohibition of subsidies contingent on export performance.

Influencing the farm bill

Ottawa has strongly hinted that it is trying to influence US lawmakers as they write new legislation this year mapping out future agricultural spending. "The United States has been providing subsidies to its agricultural producers that create unfair market advantages," said David Emerson, Canada's minister for international trade. "We hope to see the US live up to its obligations, particularly given that it has the opportunity to do so when it rewrites its farm bill this year."

By joining Canada's request for consultations, some of the WTO's largest Members appear to be warning US policymakers that even if they do not end up having to cut subsidies as part of the Doha round trade talks, they might have to do so under order from WTO dispute settlement - or else risk retaliatory sanctions.

After his country joined the complaint, Australian Trade Minister Warren Truss told Reuters that if the negotiations could not be resurrected, "the lawyers will have a field day... The negotiators will give way to the lawyers, who will take advantage of the expiry of the so-called peace clauses to exploit elements of the US and current European programmes in particular."

Complex corn-ethanol linkages

In joining up with Canada in the dispute, Brazilian WTO Ambassador Clodoaldo Huguene Filho said "this is not just about corn," noting that his country

was the world's largest producer of ethanol -- which is produced in increasing quantities in the US from subsidised corn. Brazil is already exporting substantial amounts of sugar-cane based ethanol, which is much less costly than that produced in temperate climate countries. However, the US maintains an import tariff on Brazilian ethanol while supporting its own domestic production.

While opinions differ with regard to the sustainability of producing ethanol from corn -- a process that requires a high input of fossil fuels -- US-based Institute for Agriculture and Trade Policy (IATP) has noted that as more corn in the US Midwest is distilled into ethanol, less corn will be entering the international marketplace with the potential to depress global corn prices.

Additional resources

Proposed US farm bill

http://www.usda.gov/wps/portal/lut/p/_s.7_0_A/7_0_1UH?contentidonly=true&contentid=view_proposals.xml

ICTSD reporting; "EU executive criticizes US farm bill proposal," WASHINGTON POST, 1 February 2007; "Administration's farm bill plan quickly attracts critics," THE HILL, 2 February 2007; "Johanns Unveils 2007 Farm Bill Proposals," USDA RELEASE, 31 January 2007; "EU joins WTO complaint against U.S. corn subsidies" INTERNATIONAL HERALD TRIBUNE, 22 January 2007; "Doha round failure will set loose lawyers-Australia," REUTERS, 24 January 2007; "Global coalition joins U.S. subsidy challenge," GLOBE AND MAIL, 23 January 2007; "Canada set to challenge US farm subsidies at WTO," GLOBE AND MAIL, 9 January 2006.

Biodiversity

ABS EXPERTS FLESH OUT CERTIFICATE OF ORIGIN

Biodiversity experts recently met to discuss options for introducing an international certificate of origin for genetic material. The certificate would serve as a tracing mechanism to ensure transparency in the flow of such resources.

The group of technical experts on an internationally recognised certificate of origin/source/legal provenance met in Lima, Peru from 22-25 January. The meeting explored ways to create an internationally recognised certificate of origin to comply with Convention on Biological Diversity (CBD) requirements on access and benefit sharing

(ABS) and to promote the use of indigenous knowledge and equitable benefit sharing.

A certificate of origin is a type of 'passport' or 'permit' that would accompany a genetic resource along the whole chain of the ABS process, from the collection phase to the marketing of a resultant product. The certificate could be verified at different points, including once the genetic resource has left the provider country. The main objectives of an internationally recognised system would be to ensure the traceability of genetic resources, increase transparency, provide legal certainty to ABS arrangements and facilitate the flow of genetic resources. In addition, it could help combat biopiracy, which refers to the misappropriation -- generally by means of patents -- of indigenous or traditional knowledge by foreign entities without compensatory payment.

The group of technical experts on a certificate of origin was established through a decision at the latest CBD Conference of the Parties (COP-8, see Bridges Trade BioRes, 3 April 2006, <http://www.ictsd.org/biores/06-04-03/story1.htm>) in order to provide input to the ad hoc open-ended working group on access and benefit-sharing. Twenty-five experts, representing all geographic regions and including observers from botanical gardens, indigenous communities and industry, took part in the Lima meeting.

Form and scope of the certificate

The group of technical experts set out to identify different options for a certificate of origin, their feasibility and related implementation challenges, as well as their potential costs and benefits. In doing so, they sought to find the right balance in developing a system that benefits both users and providers of the genetic material.

At the meeting, the Australian government proposed focusing on a 'certificate of compliance,' meaning a certificate confirming that the ABS rules of the country of origin had been complied with. Most participants felt that such a certificate should be supplemented with checkpoints in order to verify compliance. Participants stressed that a certificate of compliance should not make reference to compliance with ABS legislation in the source country of the genetic resource but instead refer generally to ABS protection schemes, whether by legal means, administrative orders or otherwise. The CBD does not require a particular form of

implementation with regards to ABS, and countries have adopted various systems. Many developing countries still need to install ABS schemes into their national legal system, and some experts noted that an international certificate scheme might serve as an incentive for their development of national legislation.

Participants also discussed whether the system should be voluntary, mandatory or a mixture of both, without reaching any conclusions at this point. Some participants noted that the higher the level of legal certainty and predictability, the more benefits providers and users would get from the certification scheme.

Other topics of discussion included the form and content of the certificate, as well as the appropriate points to verify that the obligations connected with the certificate had been complied with. The expert meeting identified two different checkpoints as likely to be most effective: at the patent office simultaneously with patent registration; and at the point of marketing approval assessment. The latter option would indicate the commercial benefits the genetic resource might generate and cover genetic resources that are not patented. Participants agreed on the necessity to limit transaction costs and bureaucracy. For this reason, they felt it was important to agree on a single competent authority.

Participants also addressed the practicality and feasibility of the different options, in particular for developing countries lacking technology and in need of financial support and capacity building. Among proposals discussed was a codification system (comparable to a patent registration coding system) linking a code to the certificate, enabling easier recognition. The code would be used to track the provider, the source, the use of the genetic resource, transfer to third parties and possible limitations.

Participants agreed on the need for an international clearing house mechanism -- an international database functioning as a referral point for genetic resource holders allowing them to follow the track of their resources.

Certificate exemptions

Some participating experts raised concerns with regard to the development of an overly restrictive system, which they felt could have negative impacts on key areas of research. A particular concern related to the need for rapid access to resources in

the search for a response to infectious diseases such as SARS, Ebola or the like. Most participants agreed that exemptions or waivers should be available to allow for easy access to genetic material in cases of emergency requiring a quick response so as not to impede research.

Participants also noted that ex-situ collections (such as botanical gardens or gene banks) required special attention as the certification system may become very burdensome for them, leading to increased costs without related benefits.

The experts also discussed to what extent researchers needed to comply with the certification system. Should non-commercial activity be excluded from the requirements of the certificate? The difficulty, noted one participant, was that oftentimes there is no absolute differentiation between research and commercial use -- and if research is conducted on behalf of a company, a certificate of compliance should be mandatory.

There was also discussion of the relationship between the certificate and the International Treaty on Plant and Genetic Resources for Food and Agriculture (FAO treaty). A majority of the experts favoured leaving the resources covered by this treaty outside any certificate system.

Next steps

Overall, a number of participants felt that the meeting of the expert group had progressed in a positive spirit, and interpreted this as a sign of success for the future of a certificate of origin.

The meeting report will serve as technical input at the fifth meeting of the CBD ad hoc open-ended working group on access and benefit-sharing, scheduled to be held in Montreal, Canada from 15-19 October this year. The working group is the forum for negotiations on an international ABS regime, set to be completed by 2010. The certificate of origin would cover one aspect of such a regime.

ICTSD reporting.

In Brief

SUSHI: NOT SO GOOD FOR TUNA STOCKS

In order to respond to rapidly dwindling tuna stocks, the five Regional Fisheries Management

Organisations (RFMOs) responsible for tuna conservation recently met in a first joint meeting.

Japan, the largest tuna consumer worldwide, hosted the meeting from 22-26 January in Kobe. The meeting reached an agreement on a first global plan to address the over-fishing of tuna, with the 60 governments participating recognising "the critical need to arrest further stock decline in the case of depleted stocks (and) maintain and rebuild tuna stocks to sustainable levels."

Until now, the five RFMOs have made their policies separately. Participants stressed the need for a global approach given that tuna are highly migratory and over-fishing in one area can affect catches on the other side of the world. Though the meeting set no catch limits for tuna, the global plan called for better coordination between the regions, a system of tagging to verify catch numbers, and information-sharing to blacklist illegal fishing vessels.

Conservation groups, which had called for strict catch quotas, criticised the meeting for failing to deliver meaningful action. Japan's lead negotiator Katsuma Hanafusa countered, however, that reducing quotas was not the purpose of this meeting and that trying to include specific figures in the plan would have stalemated the conference. A number of developing countries were reluctant to agree to quotas. Their concerns were addressed in the final plan, which acknowledged the need to use tuna fisheries for economic development.

A second, follow-up meeting of the five regional organisations is planned for early 2009.

In related news, a subsequent meeting of one of the relevant RFMOs -- the Commission for Conservation of Southern Bluefin Tuna -- reduced Japan's quota for Atlantic Bluefin by more than 20 percent over the next four years. This follows an agreement made in October 2006 to halve catches over the next five years after Japan admitted to exceeding its 2005 quotas. Used primarily in high-end sushi and sashimi, the Bluefin is the most lucrative and endangered species of tuna. There is also concern in the scientific community about dwindling stocks of Bigeye and Yellowfin tunas, but quotas for those varieties were not reduced.

"Fishing Regulators convene to save tuna from commercial extinction," ALL HEADLINE NEWS, 24 January 2007; "Critics say global plan to save tuna stocks not enough," AGENCE FRANCE-PRESSE, 26 January

2007; "Japan summit aims to save tuna stocks," THE ASSOCIATED PRESS, 24 January 2007; "Japan Atlantic tuna quota slashed by nearly a quarter," REUTERS, 1 February 2007; "Japan warned tuna stocks face extinction," GUARDIAN UNLIMITED, 22 January 2007.

WTO MEMBERS DISCUSS INFORMATION EXCHANGE WITH MEAS

WTO Members met on 23 January to discuss the relationship between the secretariats of multilateral environmental agreements (MEAs) and the WTO. Sources report that the politically contentious discussions did not go far.

Paragraph 31(ii) of the Doha Declaration mandated Members to negotiate on observership status for MEA secretariats at the WTO as well as procedures for regular information exchange between them and the relevant WTO committees. One trade delegate said that informal consultations this year started on the issue since it had largely been neglected during the previous year, and many felt that a breakthrough was more likely than on the other two issues in the negotiations, that is, the relationship between WTO rules and trade obligations in MEAs, or environmental goods and services. Nevertheless, Members have agreed to discuss all three in parallel in 2007.

The Secretariat introduced two papers at the meeting. The first was a synthesis of Members' submissions on mechanisms for information exchange, such as WTO information sessions with MEA secretariats, document-based information exchange, and joint technical assistance for developing country Members (JOB 07/2). The second was an update on the existing forms of cooperation between UNEP/MEAs and the WTO Secretariat (TN/TE/S/2/Rev.2).

The US announced that it would table a proposal on the issue in the coming weeks. The EU reportedly favoured an institutionalised procedure for information exchange, saying, as it has in the past, that details on how to operationalise such processes could be worked out later (see TN/TE/W/66). Countries including China and Thailand, on the other hand, would prefer information exchange between the WTO and MEA secretariats to be needs driven. The US also reportedly favoured a flexible approach. Some trade delegates suggested that these differences could be easily bridged.

No dates have been set for the next informal consultation, though some delegates expect it to be in the second half of February. Chair Ambassador Toufiq Ali (Bangladesh) reportedly announced that he would come up with a meeting notice for informals.

ICTSD reporting.

GREENPEACE CALLS FOR HALT TO FISH TRADE

A new report released by Greenpeace International, entitled "Trading Away Our Oceans," uses data from OECD, EU, and UNEP publications to argue that liberalisation in the fish and fishery products sector will have a devastating effect on the developing world. The paper was released 19 January at the World Social Forum 2007, held in Nairobi, Kenya.

According to Daniel Mittler, a political adviser on trade for Greenpeace, "under trade liberalisation, only a few countries will benefit, and then only in the short term."

At the WTO, tariffs for fish and fishery products are discussed as part of the broader negotiations on non-agricultural market access (NAMA) and have generated substantial rifts between Members. The Doha Declaration specifies that the current round of negotiations should aim to reduce tariffs, including tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries for all non-agricultural products. In addition to the NAMA negotiations at the WTO, those on trade rules have directly touched on fishery issues. Negotiators are seeking to limit the subsidies Members can pay to their fishing fleets, meaning fishing capacity would go down (see Bridges Trade BioRes, 30 June 2006).

Three-quarters of global fish stocks are classified by the UN as fully exploited or overexploited. According to Greenpeace, further liberalisation would increase over-fishing and illegal fishing, and developing nations' fleets already often have to compete with unlicensed foreign vessels in their waters.

Additional resources

The Greenpeace report "Trading Away Our Oceans: Why Trade Liberalisation of Fisheries Must Be Abandoned" is available at

<http://oceans.greenpeace.org/en/the-expedition/news/trading-away-oceans>.

ICTSD reporting; "Liberalization of fishing undermines food security," IRIN NEWS, 19 January, 2007; "WTO plans threaten sea life: Greenpeace," REUTERS, 19 January 2007.

OPINIONS CLASH OVER GM CROPS

The International Service for the Acquisition of Agri-biotech Applications (ISAAA), an industry-supported group, recently released their annual report on genetically modified (GM) crops, predicting a substantial increase in Asia. Scheduled to coincide with the ISAAA release, environmental group Friends of the Earth (FOE) published a new report highlighting the failure of GM technology to perform.

The ISAAA annual report outlined growth in the adoption of GM technology among developing country farmers. Clive James, the chair of ISAAA, said "More than 90 percent or 9.3 million farmers growing biotech crops last year were small, resource-poor farmers from the developing world, allowing biotechnology to make a modest contribution to the alleviation of their poverty." According to the report, GM uptake is growing more rapidly in developing than in developed countries, and 40 percent of GM crops are now grown in the developing world.

The ISAAA report also highlighted biofuels as a growth area for biotechnology. According to ISAAA, "Biotech crops will be used to increase the efficiency and meet added demand for alternative energy, as well as exploring biotech options to bring cellulose-based ethanol from energy crops to market."

According to the FOE report entitled "Who Benefits From GM Crops? An Analysis of the Global Performance of Genetically Modified (GM) Crops 1996-2006," not only is 70 percent of global GM production still limited to the US and Argentina, but the technology has also failed to address productivity issues in developing countries. "No GM crop on the market today offers benefits to the consumer in terms of quality or price, and to date these crops have done nothing to alleviate hunger or poverty in Africa or elsewhere," said Nnimmo Bassey of FOE Africa.

"Global Biotech Area Surges Past 100 Million Hectares on 13 Percent Growth," ISAAA, 18 January 2007; "Asia

to drive growth of GMO crops in next decade," CHECKBIOTECH, 30 January 2007; "Biotech crops increase globally, led by Asia, says report," TRUTH ABOUT TRADE & TECHNOLOGY, 25 January 2007; "New report: GM crops still not performing," Friends of Earth International, 8 January 2007.

Events & Resources

EVENTS

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

Coming up in the next two weeks

5-9 February, Nairobi, Kenya: TWENTY-FOURTH SESSION OF THE UNEP GOVERNING COUNCIL/GLOBAL MINISTERIAL ENVIRONMENT FORUM. GC-24/GMEF will focus on the emerging policy issues of globalisation and the environment, as well as the United Nations reform process. For further information see <http://www.unep.org/gc/gc24/>.

7 February, Geneva, Switzerland: WTO GENERAL COUNCIL. 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.

12 & 14 February, Geneva, Switzerland: WTO TRADE POLICY REVIEW BODY - ARGENTINA. 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.

13-14 February, Geneva, Switzerland: WTO COUNCIL FOR TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS. 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.

14 February, Nuremberg, Germany: IFOAM TRADE SYMPOSIUM 2007: Organised by the International Federation of Organic Agriculture Movements (IFOAM) and entitled "In-between discount and premium: Friend

or foe?" the main purpose of this event is to discuss the implications of large-scale conventional businesses entering the organic marketplace. More information available at: http://www.ifoam.org/events/ifoam_conferences/trade_symposium_2007.html.

RESOURCES

THE INTERNATIONAL POLITICS OF GENETICALLY MODIFIED FOOD.

Edited by Robert Falkner (Palgrave, November 2006). Genetically modified food is at the heart of a new global conflict over how to govern risky technologies in an era of globalisation. A transatlantic trade dispute and North-South tensions have complicated the task of creating a global regime for genetic engineering in agriculture. For further information visit <http://www.palgrave.com/products/Catalogue.aspx?is=0230001254>.

PROTECTING INDIGENOUS KNOWLEDGE AGAINST BIOPIRACY IN THE ANDES.

By Alejandro Argumedo and Michel Pimbert (IIED, December 2006). This paper presents the Indigenous Biocultural Heritage Register, an approach developed by Andean communities in Peru in order to protect their knowledge against biopiracy and gain legal rights relating over their knowledge. The main objective of the register is to ensure the conservation, protection and promotion of indigenous peoples' knowledge systems for sustaining their livelihoods and traditional resource rights. For further information visit <http://www.iied.org/pubs/display.php?o=14531IIED>.

"FAIR MILES"? THE CONCEPT OF "FOOD MILES" THROUGH A SUSTAINABLE

DEVELOPMENT LENS. By James MacGregor and Bill Vorley (IIED, October 2006). The concept of "food miles" presents an argument to buy goods which have travelled the shortest distance from farm to table, and to discriminate against long-haul transportation, especially air-freighted goods. The long-distance transport of food is associated with additional emissions due to increased transportation coupled with greater packaging, as well as negative impacts on local rural communities, and a disconnection between the public and local farming. To access the report visit <http://www.iied.org/pubs/display.php?o=11064IIED&n=12&l=26&s=SDO>.

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 Malena Sell, msell@ictsd.ch. Contributors to this issue were Trineesh Biswas, Melanie Butler, Alexander Kamarashki, Malena Sell, Knirre Sogaard and Mahesh Sugathan. 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 to biores@ictsd.ch.