

wto: hands off our natural environment!

key recommendations for the sixth ministerial conference of the world trade organization

Friends of the Earth International (FoEI) is a worldwide federation of 71 independent national environmental groups, uniting more than 1.5 million activists worldwide. FoEI member groups campaign internationally, nationally and locally on the most urgent environmental and social issues of today.

Friends of the Earth International's vision is of a peaceful and sustainable world based on societies living in harmony with nature. We envision a society of interdependent people living in dignity, wholeness and fulfilment in which equity and human and peoples' rights are realized. This will be a society built upon peoples' sovereignty and participation. It will be founded on social, economic, gender and environmental justice and free from all forms of domination and exploitation, such as neoliberalism, corporate globalization, neo-colonialism and militarism. We believe that our children's future will be better because of what we do.

introduction

The present trading system promotes the free movement of goods, services and capital as a goal in itself, rather than ensuring that international trade promotes sustainable and equitable societies. As a result, current and proposed trade rules and agreements as administered by the World Trade Organization (WTO) encourage unsustainable resource use and an inequitable distribution of resources, and can conflict directly with local, national and international environmental laws.

The WTO's current 'Doha' negotiations, originally billed as a 'development round' by its proponents, threaten to aggravate global environmental problems, as well as increasing poverty and unemployment, including through the destruction of the natural environment that millions of people rely upon. The deal on the table is so bad for people and the environment that no deal is clearly better than a bad one.

The time has come to acknowledge the intrinsic defects of the current trading system. A new and sustainable trading framework for the twenty-first century needs to be based on peoples' sovereignty and participation, equity, reduced consumption in industrialized countries, cooperation and caution. In order to achieve such a framework, broad reform of the global economy is a prerequisite. Stopping the WTO from generating further negative social, developmental and environmental impacts is a first step in this direction. With respect to the 6th Ministerial in Hong Kong, Friends of the Earth International is calling on governments to:

- **Halt** current negotiations, including on NAMA, GATS and agriculture, in order to review and reverse the developmental, social, employment and environmental impacts of *all* of the WTO's existing and proposed trade rules, especially in impoverished countries and communities, and to ensure compatibility with existing UN treaties on human rights, gender and the environment. Independent international and national sustainability impact assessments are necessary in relation to all trade negotiations.
- **Exclude** natural resource-based sectors – in particular forests, fisheries, water, energy, minerals and agriculture - from further trade liberalization, including through the WTO's NAMA, GATS and Agriculture negotiations.
- **Ensure** that countries – especially developing countries – have the right to implement import controls, including tariff increases and quantitative restrictions, on all products, particularly those

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important for domestic consumption (food security), livelihood security, rural development, and all internationally traded products that have been subsidized at origin.

- **Ensure** that there are no restrictions on support for sustainable agriculture for domestic consumption, high food standards, localization of agriculture and the protection and development of peasant and family farmer-based local and national markets and food systems.
- **Protect** farmers', Indigenous Peoples' and local communities' rights over plant genetic resources and associated knowledge, including farmers' rights to conserve, exchange and reproduce seeds; and reject international agreements that force the patenting or introduction of other forms of intellectual property protection on life forms.
- **Ensure** that multilateral environmental agreements take precedence over trade rules, and transfer the debate over the relationship between trade rules and multilateral environmental agreements from the WTO to the United Nations.
- **Drop** the WTO's 'single undertaking' procedure, which forces countries to agree to trade rounds in their entirety, leading to socially and environmentally-damaging trade offs being made between sectors.
- **Commit** to full transparency and enhanced democracy, based on people's sovereignty and participation, in all aspects of decision-making, locally, nationally and internationally, including in relation to trade and commerce in general.
- **Use** the results of this review to develop fair and sustainable societies based on systems of local, national, and global commerce that benefit and empower women and men, protecting their livelihoods and the natural environment upon which they ultimately rely.

These steps are all critical but not enough on their own. Other issues need to be dealt with in parallel if countries are to be able to eradicate poverty and inequity and begin developing fair and sustainable economies.

The first step on the road to equity and sustainability must be the comprehensive and unconditional cancellation of debt for all developing countries, in recognition of the ecological debt that industrialized countries owe the South. This now far outweighs the official financial debt owed by developing countries. This will enable countries to move away from being dependent upon exporting commodities and natural resources and to invest in policies that promote sustainable societies. It will foster changes in production and consumption patterns. Governments also need to ensure that there is equity within and between generations, including redistribution of control over resources such as land.

Furthermore, the WTO's rules, and the mechanisms developed to implement those rules, were developed in the absence of public input and debate as to their necessity, form and desirability. International trade institutions such as the WTO operate in a secretive, exclusionary manner that shuts out effective participation from developing and least-developed countries and the public. They are dominated by a few powerful governments acting on behalf of their corporate elite. In this light, governments must ensure the democracy and transparency in the global trading system and negotiations, by recognizing people's right to self-determination. People must be permitted to know and decide on international commercial commitments.

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It is also essential that governments change their priorities and regulate to dismantle the power of transnational corporations. They need to introduce effective international and, where missing, national legislation and enforcement mechanisms, to prevent the formation and consolidation of monopolies, oligopolies and cartels. They also need to enforce high minimum environmental, labour and human rights standards for corporate activities, including by introducing and ensuring legal rights of redress for citizens and communities adversely affected by corporate activities. They also need to introduce personal legal liability on company directors for corporate breaches of social and environmental laws, and strict legal liability for all harm caused by their products.

Communities should have the right to say 'no' to transnational corporations. Governments should establish international requirements for corporations to seek prior informed consent, through democratic processes, from those communities likely to be affected by corporate projects or activities. Corporations should also be required to carry out independent social, environmental and economic impact analyses and report in full on these to affected communities.

These parallel measures, together with a fundamentally altered approach to the role of trade in our societies, offers a hope of moving towards fair and sustainable societies.

The following pages outline Friends of the Earth International's detailed positions on WTO negotiations on Non-agricultural Market Access (NAMA), the General Agreement on Trade in Services (GATS), Agriculture, Multilateral Environmental Agreements (MEAS) and Trade Related aspects of Intellectual Property Rights (TRIPs).

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summary of recommendations

Specifically, FOEI is calling on governments meeting at the World Trade Organization's 6th Ministerial Meeting to:

Non-agricultural market access (NAMA)

- **Halt** the NAMA negotiations and agree to a full, independent review of the potential environmental and developmental impacts of NAMA with full public participation.
- **Protect** governments' policy space, including through the use of tariffs and non-tariff barriers genuinely intended to develop fair and sustainable economies and protect their environment, including through the sustainable and participatory management of our natural environment.
- **Promote** resource conservation by stopping further liberalization of our natural environment, including forest, fish, oil, gas and mining products in the WTO and elsewhere.

General Agreement on Tariffs and Services (GATS)

- **Halt** the GATS negotiations and undertake an independent comprehensive assessment of the past and future environmental, developmental and social implications of services liberalization at both multilateral and regional levels.
- **Exclude** service sectors that could impact on biodiversity, our natural environment and the human rights of resource-dependent local communities and Indigenous Peoples, i.e. the extraction or collection of energy fuels, minerals and ore, water, timber and other aspects of our natural environment, and park-management related services.
- **Ensure** that environmentally harmful services, such as nuclear energy related services and hazardous waste transport, are excluded from the GATS (and are definitely not included as 'environmental services')
- **Exclude** services liberalization in all publicly provided and essential services, such as health, education, water and sanitation, and in sectors critical to the development of sustainable societies, such as financial services, telecommunications, tourism, construction and transport-related services.
- **Reverse** any proposals and commitments already made, including in Mode 3, that are in fact transnational investment disciplines.
- **Reject** those Mode 4 proposals and commitments which threaten to increase the 'brain-drain' of trained professionals leaving developing countries.
- **Reject** any rules and changes relating to domestic regulation that would challenge or in any way undermine legitimate environmental laws and regulations.

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Multilateral Environmental Agreements (MEAs) and the WTO

- **Halt** current negotiations in the WTO on the relationship between MEAs' trade-related measures and the WTO's trade rules.
- **Give** MEAs clear legal precedence over trade rules.
- **Avoid** setting rules or criteria that might in any way define or restrict the use or national implementation of trade measures agreed to in MEAs that would limit governments' rights to regulate in favour of the environment, such as through least trade restrictiveness tests.
- **Reject** attempts to define a set of MEAs, or a set of trade measures, that are WTO-consistent, thereby making others WTO-inconsistent regardless of their merits.

Agreement on Agriculture (AoA)

- **Halt** the agriculture negotiations and undertake an independent comprehensive review of the environmental, developmental and social impacts of past and proposed liberalization in agriculture with full public participation,.
- **Reverse** developing countries past AoA tariff reduction commitments and take measures to counter and repair the adverse social, environmental, developmental and cultural effects of liberalization.
- **Reject** any further liberalization of agriculture trade, and protect the ability of peasant and family farmers to make a living from agriculture:
 - **Immediately re-institute** the sovereign right – especially for developing countries – to implement import controls, including tariffs increases and quantitative restrictions on all products, particularly those important for domestic consumption (food security), livelihood security, rural development, and all internationally traded products that have been subsidized at origin.
 - **Phase in** measures to eliminate structural surpluses and stabilize farm gate prices at levels that cover the costs of production, including through national supply management schemes (including environmentally-oriented programs) and international commodity agreements.
- **Halt** dumping immediately, without any preliminary conditions:
 - **Immediately eliminate** all supports which directly or indirectly promote exports and production for export, especially in developed countries.
 - **Stop** the movement of trade distorting subsidies from one box to another (as this only hides them, it does not cut them).
 - **Prevent** subsidized products from entering the international market, by whatever means.
- **Ensure** that there are no restrictions on support for sustainable agriculture for domestic consumption, high food standards, localization of agriculture and the protection and development of peasant and family farmer-based local and national markets and food systems.

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- **Safeguard** the right of municipalities, countries and regions to ban or otherwise restrict the production of and trade in genetically modified seed, food, animal feeds and related products.
- **Establish** and strengthen local peasant and family farmer-based national food programs to meet the needs of the most impoverished sections of society and those who cannot pay the higher food prices that will eventually result from increased farm gate prices, using increased tariff and unsustainable production polluter pay revenues to this effect.

Trade-related aspects of Intellectual Property Rights (TRIPs)

- **Protect** farmers', Indigenous Peoples' and local communities' rights over plant genetic resources and associated knowledge, including farmers' rights to conserve, exchange and reproduce seeds.
- **Reject** international agreements that force governments to grant patents or other forms of IPRs on life forms, including plant varieties and micro-organisms.
- **Protect** traditional and indigenous knowledge against biopiracy.
- **Ensure** public access to medicines and genetic resources, including plant genetic resources.
- **Maintain** the right to regulate in pursuit of national health and safety and environmental protection.
- **Maintain** Indigenous Peoples' and local communities' legal and customary rights to make decisions concerning their local, traditional resources, even where no legal rights have previously been allocated.
- **Ensure** equitable access to land, seeds, water, credit and other productive resources, for small farmers, and especially women.

non-agricultural market access negotiations (nama)

In NAMA, all aspects of our natural environment are effectively on the table for either partial or complete liberalization, with a particular focus at the moment on fish and fish products, forests, gems and minerals. Yet fisheries and forests provide livelihoods and essential nutrition and medicines for millions of people across the world. Ninety percent of fishers worldwide – nearly 40 million people – are employed in small-scale artisanal fishing, and these men and women are overwhelmingly impoverished. A further 13 million are employed in the formal forestry sector, and more than 1.6 billion depend on forests for aspects of their livelihoods (for collecting fuelwood, medicinal plants and foods, for example, and especially when other forms of income fail). WTO proposals to fully eliminate tariffs in both of these sectors could have extremely serious consequences for these people, both through loss of access to and through the destruction of the natural environment on which they traditionally depend.

The proposed tariff reductions would also increase incentives to fish internationally, especially for large commercial trawlers, which would fuel the continued exploitation of an already seriously depleted resource. Local fishers and poor fishing communities would increasingly suffer the impact of dying seas, as large commercial fleets take many of the highest quality fish. There is also a risk of cheap fish imports being dumped in coastal nations with a strong domestic market, such as Ghana and Cameroon, making it impossible for fishers to sell their catch locally. Similarly, even an impact assessment prepared for the

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European Commission states that developing countries with forest industries protected by high tariffs could “*incur considerable environmental and social costs due to downsizing of the industrial capacity and closing some industries entirely.*”

Gems and jewellery are also high on the WTO's negotiating agenda, which could lead to the expansion of mining operations with significant social and environmental impacts. Around eighty percent of global demand for gold, for example, is for jewellery. Yet gold comes with a huge social and environmental cost. Large-scale gold mining has displaced communities, deforested mountains and killed rivers. Approximately 620 million tonnes of waste are produced annually from gold mining. This is almost comparable to the volume of metal consumed globally each year.

Critically, developing countries face the prospect of deindustrialization and loss of significant quantities of government custom revenue, as industrialized countries aggressively pursue negotiating tactics specifically designed to lever open developing country markets. Developing countries also risk losing the use of trade measures as affordable tools allowing them to protect their environment and promote domestic economic development. This could lock many developing countries into their existing commodity dependence and discourage diversification.

Other trade restrictions (known as non-tariff barriers or NTBs, which include measures designed to protect the environment and promote social welfare) are also at risk. For example, in relation to the environment, the EU, Japan and Korea are targeting export restrictions on forests products, and the US seems to be determined to challenge energy efficiency measures that encourage consumers to purchase smaller, more efficient cars. Given these serious concerns, it is imperative that governments need to take the following actions immediately:

- **Halt** the NAMA negotiations and agree to a full, independent review of the potential environmental and developmental impacts of NAMA with full public participation.
- **Protect** governments' policy space, including through the use of tariffs and non-tariff barriers genuinely implemented to develop fair and sustainable economies and protect their environment, including through the sustainable and participatory management of our natural environment.
- **Promote** local community control and resource conservation by stopping further liberalization of all aspects of our natural environment, including forest, fish, oil, gas and mining products in the WTO and elsewhere.

general agreement on trade in services (gats)

GATS has the potential to create adverse environmental, developmental and social impacts, because it currently includes proposals to open markets in a wide range of relevant sectors including energy (its extraction, generation, production and transportation), transport, water, travel and tourism, construction, telecommunications, financial services, health, education, park management, waste disposal and sewage, and agricultural services. GATS could also place serious constraints on the rights of governments and citizens to regulate to protect the environment and people at the national level, and their ability to control the activities of transnational service corporations.

GATS deals with different ways in which services are supplied. Two of them – known as “Mode 3” and “Mode 4” are also particularly damaging to the development of sustainable societies. Mode 3 would increase unregulated foreign investment in countries (the liberalization of which was already rejected once by developing countries, at the WTO's Cancun Ministerial). Governments would be signing up to investment

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regulations which effectively give increased rights to big business and restrict the types of actions governments can take to regulate their activities. Mode 4 is about the transfer of personnel and will decrease the availability of trained professionals in the developing world, contributing to the 'brain-drain' from South to North, whilst still permitting northern countries to reject unskilled labourers. GATS is designed to open up markets for transnational corporations in a way that 'locks in' future governments regardless of their politics. More specifically, GATS is likely to result in higher costs for essential public services, such as water, energy, sanitation and transportation.

The EU, US and other influential countries have been ratcheting up pressure on developing countries to get them to open up more of their service sectors, regardless of the social and environmental impacts. Currently the EU is pushing for a new approach within the GATS negotiations, which would force developing country governments to adopt commitments in a minimum number of sectors, regardless of their desire or ability to implement such commitments (the EU's proposal was initially referred to as 'benchmarking'). This new move threatens to overturn the previously agreed development 'flexibilities' of GATS.

In short, we are calling for the following:

- **Halt** the GATS negotiations and undertake an independent comprehensive assessment of the past and future environmental, developmental and social implications of services liberalization at both multilateral and regional levels.
- **Exclude** service sectors that could impact on biodiversity, our natural environment and the human rights of resource-dependent local communities and Indigenous Peoples, i.e. the extraction or collection of energy fuels, minerals and ore, water, timber and other aspects of our natural environment, and park-management related services.
- **Ensure** that environmentally harmful services, such as nuclear energy related services and hazardous waste transport, are excluded from the GATS (and are definitely not included as "environmental services").
- **Exclude** services liberalization in all publicly provided and essential services, such as health, education, water and sanitation, and in sectors critical to the development of sustainable societies, such as financial services, telecommunications, tourism, construction and transport-related services.
- **Reverse** any proposals and commitments already made, including in Mode 3, that are in fact transnational investment disciplines.
- **Reject** those Mode 4 proposals and commitments which threaten to increase the 'brain-drain' of trained professionals leaving developing countries.
- **Reject** any rules and changes relating to domestic regulation that would challenge or in any way undermine legitimate environmental laws and regulations.

multilateral environmental agreements (meas) and the wto

Negotiations on the relationship between MEAs and WTO rules were mandated in the Doha Declaration (paragraph 31(i)). Even though the negotiations have been proceeding slowly, they pose a significant threat to environmental protection. MEAs are an important instrument to combat environmental degradation. WTO negotiations on MEAs, however, together with corporate globalization, threaten the legitimacy and effectiveness of MEAs and thus undermine international cooperation focused on protecting the environment (including by weakening the MEAs themselves, and their implementation). There are approximately 200 multilateral environmental agreements in place today, a number of which contain provisions related to trade

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and trade rules. Trade restrictions taken for genuine environmental purposes constitute one of the most important instruments for effective national implementation of MEAs.

The current WTO negotiations on this issue allow the WTO to encroach upon areas of international and national environmental policy in which it has no competence. The most likely outcome will be the subordination of international environmental governance to economic and trade considerations. More specifically, there is a very significant risk that the negotiations could result in the WTO:

- setting rules or criteria for the use of trade obligations in current and future MEAs;
- defining a set of MEAs, or a set of specific trade obligations that are WTO-consistent, thereby deeming others to be WTO-inconsistent regardless of their merits;
- making provision for WTO supervision over the way in which governments implement MEAs at the national level, resulting in a limitation of governments' right to regulate in favour of the environment; and/or
- setting rules that may effectively prevent the adoption or implementation of MEA-mandated trade measures by any WTO Member or MEA Party.

Governments must not permit international environmental governance (through the MEAs) to be made subject to economic and trade considerations. To this end, governments must ensure that MEAs take precedence over trade rules and that the use of trade restrictions in MEAs genuinely implemented to develop fair and sustainable economies remains a legitimate tool for national and international implementation. In order to achieve this goal governments must:

- **Halt** current negotiations in the WTO on the relationship between MEAs' trade-related measures and the WTO's trade rules.
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- **Give** MEAs clear legal precedence over trade rules.
- **Avoid** setting rules or criteria that might in any way define or restrict the use or national implementation of trade measures agreed to in MEAs that would limit governments' rights to regulate in favour of the environment, such as through least trade restrictiveness tests.
- **Reject** attempts to define a set of MEAs, or a set of trade measures, that are WTO-consistent thereby making others WTO-inconsistent regardless of their merits.

It is essential that a mechanism of international environmental governance is established independently of the WTO, and that only the UN has the authority to consider and adjudicate on any potential and actual conflicts between the two governance systems. Recent research from FoEE/AdRelphi Consult and Greenpeace has indicated that the International Court of Justice and the United Nation's International Law Commission are the most suitable options for disputes and for clarifying the WTO/MEA relationship, respectively. This is due to their legal and environmental expertise, the transparency of their process and their independence from trade interests. It is also necessary to review the increasing trend towards the use of market mechanisms and other trade-based mechanisms in MEAs that may make them significantly less effective.

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the agreement on agriculture (aoa)

Policies being promoted by the WTO, the World Bank and the IMF have encouraged the development of an entirely unsustainable system of agriculture and food production. The globalization of agriculture and food systems has been marked by a move to industrial, export-oriented production heavily influenced by the interests of transnational corporations (TNCs), which are increasingly able to dictate the way that food is produced, traded and marketed.

This system of agriculture is proving unable to deliver global food security and environmental sustainability. Shockingly, 777 million people in the developing world, the majority of them women and children, are still suffering from hunger and other forms of malnutrition, even though there is sufficient food being produced at a global level to provide everyone with enough food. The inequitable distribution of resources, land and food is one of the main causes of hunger and malnutrition in the world today, and the current trade liberalization process as promoted by the WTO - particularly through the Agreement on Agriculture (AoA) - is part of the cause of this, not the solution.

This is because the WTO promotes a mixture of liberalization and regulation that prevents global food sovereignty. It is systematically undermining family farming and the livelihoods of peasants around the world - which underpin food sovereignty and security, robust rural economies and the production of healthy local food worldwide. It is leading to massive migration, as millions of peasants and family farmers - both South and North - are either going out of business, being bought out by larger farms and agribusiness planning to increase exports, or forcibly moved from their land.

Food sovereignty is the right of communities, peoples and countries to determine their own agricultural and food policies, including the protection and regulation of domestic agricultural production and trade in order to meet food security and sustainability objectives. Food sovereignty includes food security, food safety, diverse sustainable agricultural practices, and subsistence and small-scale farming. Diverse sustainable agriculture and food production is a key feature of food sovereignty since it can better provide sufficient quantities of affordable, safe and healthy food for all and is the foundation of healthy rural and urban communities, cultures and environments.

The trade liberalization regime has also led to the establishment of intellectual property rights systems that allow transnational corporations to expropriate farmers' knowledge of food production techniques and basic resources such as seeds. It discourages sustainable agriculture and the production of safe and healthy food.

These trends, evident in both the North and the South, cannot continue. We need to change track. Agriculture needs to focus on and promote food security, food sovereignty and diverse sustainable agricultural practices. Unsustainable, export-oriented and chemical dependent production needs to be replaced with more sustainable and humane farming and agricultural practices. Safe, healthy and nutritious food for all needs to be the end goal.

The so-called Doha Development Agenda and the 2004 July Framework are taking us in the opposite direction, and have effectively eliminated any possibility of rerouting agriculture onto a sustainability path based on peasant and family farming. There is now a new power equation in the negotiations, with a "new Quad" consisting of the US, EU, Brazil and India. The EU and the US governments continue to defend their unsustainable CAP and Farm Bill policies, which primarily benefit the largest farms, food corporations and agribusiness. At the same time there is very little hope that Brazil and India will not sell out the interests of peoples in developing countries in exchange for a win for their own elite export sectors, agribusiness and information technology professionals.

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India and Brazil lead the G20, which successfully resisted the EU/US agenda together with the G90 at the last Ministerial in Cancun. While most developing country groupings, including the G33 and G90, are still relying on the G20's ability and capacity to negotiate an acceptable deal for them all in Hong Kong, this is looking increasingly unlikely, as Brazil and India could either be forced into or succumb to the attractions of an overall deal with the US and the EU. It remains to be seen if the G90 and the G33 – without the G20 – would walk away from a bad deal in Hong Kong.

Some of the world's smallest and most impoverished countries also stand to lose from trade liberalization by losing the benefits they previously enjoyed from special trade agreements that gave them preferential access to relatively closed markets ('preference erosion').

In Hong Kong, no deal will be better than a bad deal. The solution to the current crisis - both in the short and long term - requires a deep and radical shift away from exported-oriented, industrial agriculture. Ultimately, WTO rules should not apply to food and agriculture. Friends of the Earth is calling for governments to:

- *Halt* the agriculture negotiations and undertake an independent comprehensive review of the environmental, developmental and social impacts of past and proposed liberalization in agriculture with full public participation,.
- *Reverse* developing countries past AoA tariff reduction commitments and take measures to counter and repair the adverse social, environmental, developmental and cultural effects of liberalization.
- *Reject* any further liberalization of agriculture trade, and protect the ability of peasant and family farmers to make a living from agriculture:
 - *Immediately re-institute* the sovereign right – especially for developing countries – to implement import controls, including tariffs increases and quantitative restrictions on all products, particularly those important for domestic consumption (food security), livelihood security, rural development, and all internationally traded products that have been subsidized at origin.
 - *Phase in* measures to eliminate structural surpluses and stabilize farm gate prices at levels that cover the real costs of production, including through national supply management schemes (including environmentally-oriented programs) and international commodity agreements.
- *Halt* dumping immediately, without any preliminary conditions:
 - *Immediately eliminate* all supports which directly or indirectly promote exports and production for export, especially in developed countries.
 - *Stop* the movement of trade distorting subsidies from one box to another (as this only hides them, it does not cut them).
 - *Prevent* subsidized products entering the international market, by whatever means.
- *Ensure* that there are no restrictions on support for sustainable agriculture for domestic consumption, high food standards, localization of agriculture and the protection and development of peasant and family farmer-based local and national markets and food systems.
- *Safeguard* the right of municipalities, countries and regions to ban or otherwise restrict the production of and trade in genetically modified seed, crops, food, animal feeds and related products.
- *Establish* and strengthen local peasant and family farmer based national food programs to meet the needs of the most impoverished sections of society and those who cannot pay the higher food prices which will eventually result from increased farm gate prices, using increased tariff and unsustainable production polluter pay revenues to this effect.

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trade-related aspects of intellectual property rights (trips)

The WTO's TRIPs Agreement is undermining farmers', Indigenous Peoples' and local communities' rights. It obliges WTO members to protect intellectual property rights relating to plant varieties and micro-biological processes, using either patents or effective sui generis systems (or a combination of both). TRIPs undermines the basic human right of access to resources and allows large biotechnology companies to 'buy' and even patent the genetic resources and associated traditional knowledge of Indigenous Peoples and local communities, thus blocking the access of those communities to their own resources and knowledge. This is perpetuating the biopiracy of colonialism and is increasing the ecological debt that rich northern countries owe the South.

Ownership of these rights is increasingly concentrated. The Asian seed market, for example, is dominated by just three companies – Cargill, Pioneer and CP-DeKalb – which control 70 percent of it. In addition to privatizing and commercializing the resources and knowledge which form part of the heritage of communities and peoples, TRIPs has also led to a further marginalization of these communities. TRIPs infringes upon the rights of Indigenous Peoples to self-determination. Women are particularly impacted, as they are often responsible for collecting natural materials like medicinal plants for their families, and play a major role in traditional seed saving systems.

Farmers are now being encouraged to use uniform varieties of IPR-protected seeds and are being prevented from exchanging those seeds and even from exchanging their own traditional seeds. This is reducing agro-genetic diversity as well as in the varieties of crops grown locally. It will have negative impacts on local food sovereignty and food security as well as sustainability (since crop diversity underpins sustainable agriculture). Cultural diversity is being eroded as well.

Access to resources should be considered a basic human right. Communities should have the right to exert control over, and therefore have access to, their local and shared natural environment. In particular, Farmers' Rights over resources have arisen from their past, present and future role in conserving, improving and making available plant genetic resources.

African countries are currently seeking to remove the TRIPs requirements relating to patents on life (although their proposal does not exclude from TRIPs all other forms of intellectual property rights). A further group of developing countries, led by India, is also seeking amendments to the TRIPs Agreement to prevent biopiracy, which would allow developing countries to benefit financially from the use of traditional knowledge and biodiversity (although this would not necessarily or automatically conserve and protect that knowledge and biodiversity).

We reaffirm our commitment to continue fighting against any new international regime that legitimizes biopiracy, patents and other forms of IPRs on life and associated knowledge, and the privatization and commercialization of cultural and biological diversity. We support community management and control over biodiversity and the conceptualization and construction of collective rights by local communities and Indigenous Peoples, whether or not such rights are recognized by States. Friends of the Earth International is calling on governments to:

- **Protect** farmers', Indigenous Peoples' and local communities' rights over plant genetic resources and associated knowledge, including farmers' rights to conserve, exchange and reproduce seeds.
- **Reject** international agreements that force governments to grant patents or other forms of IPRs on life forms, including plant varieties and micro-organisms.
- **Protect** traditional and indigenous knowledge against biopiracy.

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- **Ensure** public access to medicines and genetic resources, including plant genetic resources.
- **Maintain** the right to regulate in pursuit of national health and safety and environmental protection.
- **Maintain** Indigenous Peoples' and local communities' legal and customary rights to make decisions concerning their local, traditional resources, even where no legal rights have previously been allocated.
- **Ensure** equitable access to land, seeds, water, credit and other productive resources, for small farmers, and especially women.

conclusion

The current system of global governance is incoherent and unbalanced, and permits the economic and trade priorities of the biggest and most powerful countries and companies to ride rough-shod over all other concerns, within the WTO, regional free trade agreements and even the United Nations. This undermines and is preventing effective international and even national efforts to promote peace, human rights, social progress and environmental sustainability.

It is increasingly clear that trade liberalization negotiations and rules have a significant impact on biodiversity and our natural environment, including forests, fisheries and food, water and minerals. Millions of impoverished people around the world – those who are most dependent upon their natural environment and traditional – have already lost or stand to lose their livelihoods. This is most likely to happen in those poorer countries that use relatively high trade measures to protect small farmers and fisherfolk and the environment, as well as those that currently enjoy preferential trade agreements. International trade liberalization agreements negotiated without attention to these potential impacts threaten to make poverty worse, not better.

The way we manage international trade *must* change. Systems of intergovernmental collaboration and cooperation need to be transformed. We require a coherent, coordinated and more balanced form of global governance, that integrates peoples' economic needs and the multilateral regulation of trade with other important social and environmental concerns. International trade needs to be recognized for what it is - a means to an end – and the myth of free trade as a solution to poverty exploded.

Governments need to recognize the importance of vibrant and sustainable local economies, and to acknowledge the link (consistently) between access to the natural environment and poverty eradication. The environment cannot be treated as an add-on option that can be dealt with at some hazy point in the future. We are destroying our environment and impoverishing people right now, and trade liberalization negotiations are fuelling this process.

The World Trade Organization and regional free trade agreements like the Free Trade Area of the Americas (FTAA) are already faltering. This is because they are not delivering what people need. Trade liberalization negotiations need to be stopped and their objectives and impacts independently reviewed. Our natural heritage – including forests, fisheries, food, minerals and water - needs to be separated and protected from the entire trade liberalization agenda. There should be no question, for example, of sensitive environmental sectors such as forests and fisheries being included in the WTO's Non-Agricultural Market Access negotiations. Neither should energy and water services be included in its services agenda.

Governments must remain free to take whatever measures they deem necessary, including trade measures, to protect our heritage effectively and improve the lives of those people immediately dependent

wto: hands off our natural environment!

key recommendations for the sixth ministerial conference of the world trade organization

upon it. To constrain such action on the basis of short-term – and inequitable - economic priorities is absurd. In addition, governments need to amend all relevant international agreements so that countries cannot be forced into introducing intellectual property rights on life forms. Farmers', indigenous peoples' and local communities' rights to their traditional resources and knowledge should be fully protected.

Alternatives clearly exist and are possible. Farmers in Colombia, for example, are resisting the impact of cheap imports by establishing their own local markets. Workers in Uruguay have successfully taken over and run an economically successful mill that pays its workers excellent wages, sources all its inputs locally and nationally and has encouraged farmers to reintroduce important food security crops. In Canada, crab and lobster fishing licenses are strictly limited to individual fisherfolk with small boats who are obliged to fish the licenses themselves, creating 45,000 new rural jobs. New concepts are being developed as well. Food and energy sovereignty, together with water justice, are the new frameworks within which civil society is beginning to reorganize itself and its commerce, in order to develop fair and sustainable economies. Free trade has had its day. Another world is possible – and necessary.