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Governments are busy negotiating the Free Trade Area of the Americas. This would be the largest free trade zone in the world and looks like it could demand the toughest rules of any trade agreement to date.

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THE FREE TRADE AREA OF THE AMERICAS

MAUDE BARLOW

Last April, all the governments of the Americas, with the exception of Cuba, met in Quebec, Canada, for the third summit on the negotiations for a free-market regional trade agreement, the proposed Free Trade Area of the Americas (FTAA). With a population of 800 million and a combined GDP of \$US 11 trillion, the FTAA would be the largest free trade zone in the world. It stands to have a dramatic impact on peoples' lives, while strengthening corporate control over all aspects of government. Maude Barlow, of the Council of Canadians, has been following FTAA developments.

The Free Trade Area of the Americas is the name given to the territory covered by the expansion of the North American Free Trade Agreement (NAFTA) to all the other countries of the Western Hemisphere except Cuba. The FTAA is based on the NAFTA model, but extended to be "WTO-compatible" (World Trade Organisation) and include a whole new agreement on services. If reports coming from the Negotiating Groups working on the key elements of the deal are correct, the FTAA will become the most far-reaching free trade agreement in the world, encroaching into every area of life for the citizens of the Americas.

The FTAA was launched by the leaders of 34 countries of North, Central and South America and the Caribbean at the December 1994 Summit of the Americas in Miami, Florida. However, little real progress was made until the next Summit in Santiago, Chile, in April 1998, when a large number of committees and working groups were set up to develop specific areas of the agreement. Since then, these workhorses have regularly brought more than 900 trade negotiators and mountains of material to Miami, where most of the meetings take place.

From the beginning, the big corporations and their associations and lobby groups have been an integral part of the process. In the US, a

variety of corporate committees advise the American negotiators and, under the Trade Advisory Committee system, more than 500 corporate representatives have security clearance and access to FTAA negotiating documents. Non-government organisations (NGOs) and peoples' organisations, on the other hand, have been actively shunned from the process (see box). One of the tasks of the FTAA negotiators is to compare and consolidate the key components of a variety of trade and investment agreements throughout the area, including:

- NAFTA - a free trade and investment agreement between Canada, the US and Mexico.
- MERCOSUR - a common market of the Southern Cone countries of Brazil, Argentina, Paraguay and Uruguay
- The Andean Pact
- Caricom - the Caribbean Community

There are some differences among these pacts and agreements, but the similarities far outweigh the differences. Both NAFTA and MERCOSUR include measures to deregulate foreign investment and grant national treatment (non-discriminatory) rights to foreign investors. Both prohibit "performance requirements" whereby foreign investment must enhance the local economy and support local workers. Both are based on a model of trade and investment



THE FTAA: A VIEW FROM THE STREET

April 25, 2001. The Quebec Summit is over. The occasion, of course, was the gathering of 34 heads of states of North and South America to further the economic and social integration of the Americas based on the US-style free market model known as the "*Washington Consensus*" and to consolidate North American corporate dominance in the countries of the South. Before the summit, to protect themselves from escalating opposition to the FTAA, the Canadian government erected a cement and chain-link fence around the entire city - dubbed the "*wall of shame*" - and triggered the biggest security operation in peacetime Canadian history. Six thousand and seven hundred police, thousands of soldiers on standby, armoured tanks, plastic bullets, and 5,000 canisters of tear gas were assembled. A jail was emptied in anticipation of the protesters about to descend on the city.

The Council of Canadians held a huge rally as part of the parallel Peoples' Summit. Speakers from France and from Latin America were broadcast to thousands inside and outside the big tent. The feeling was electric and the crowd rose roaring to its feet dozens of times during the morning. Then, in the bright spring sunshine, a huge crowd of more than 60,000 people joined the labour-sponsored march, complete with music, puppets, theatre and dance.

Meanwhile, parallel to the Peoples' Summit process, the preparations were proceeding for those committed to direct action, particularly at the wall, which had become a much-hated symbol of government indifference and exclusion. Direct action and non-violent civil disobedience have become a part of these globalisation jamborees wherever they happen, from Seattle and Melbourne to Prague and Quebec City, and they are usually led by youth. Their tactics have been responsible for shutting down, or at least postponing, several major events and have grabbed the attention of the world's media.

On Friday morning about 3,000 people marched from Laval University to Old Quebec. At one point in the march, they separated into two streams - "*yellow*" for those going directly to the wall and "*green*" for those going into the city where they could act as observers and supporters. Within half an hour, the wall had been breached and clouds of tear gas were rising through the air. For the next two days, into the small hours of the morning, the police directed a merciless tear gas assault against the several thousand protesters anywhere in the vicinity of the wall. Some 463 people were arrested, some having been picked up by police in unmarked vans.

Now, we begin the task of the next stage of our work on the FTAA, demanding the text, getting the message to a wider public, putting forward alternative visions, building our movement. We have turned a corner and our powerful presence in Quebec City has changed the course of the FTAA process, perhaps irrevocably. Once again, our leaders tried to meet behind closed doors to decide our collective futures without us. Once again we said no. I can assure you our cry was heard around the world.

liberalisation that locks in the Structural Adjustment Programs (SAPs) introduced earlier into Latin America by the World Bank and the International Monetary Fund (IMF). Under these programs, most developing countries were forced to:

- Abandon domestic industry in favour of transnational corporate interests
- Turn their best agricultural lands over to export crops to pay off their national debt
- Curtail public spending on social programs and abandon universal health care, educa-



tion and social security programs

- Deregulate their electricity, transportation, energy and natural resources sectors
- Remove regulatory impediments to foreign investment

Tensions of leadership exist in the negotiations. Since 1995, the US Administration has been unsuccessful in obtaining renewal for its “*fast-track*” legislation, which authorises the US Congress to adopt free trade agreements in full. This has given Brazil, the undisputed economic leader in Latin America, the opportunity to challenge US supremacy and bid to lead the process of economic integration of the Americas. The encroachment of the business community of the European Union into Latin America, especially in banking, telecommunications, automobiles and consumer products, has also served as a catalyst for the US to reassert its leadership in the hemisphere. The US is counting on the successful completion of the FTAA to maintain its corporated dominance in the region.

Further pressure for a successful FTAA comes from the defeat of the Multilateral Agreement on Investment (MAI) at the WTO in 1996 and at the Organisation for Economic Cooperation and Development (OECD) in 1998. After the shut-down of the “*Millennium Round*” of the WTO in Seattle in December 1999, WTO officials are finding it difficult to even secure a venue for a new Ministerial meeting. In addition, APEC (the Asia Pacific Economic Cooperation Forum) is faltering and few have expectations that it will make the hoped-for breakthrough to become a free trade/investment zone.

Many trade observers have identified the FTAA as the natural heir of these failed projects and are fearful that another such failure could put the whole concept of these massive free trade agreements on the back burner for years. In fact, in a January 2000 statement, Associate US Trade Representative Peter Allegeier said that

the FTAA has taken on new importance after the fiasco in Seattle and may well aspire to go further than the WTO, freed of the need to play the deals off against one another.

What’s in the FTAA?

In a statement that accompanied the original 1994 Miami Summit, the Ministers made a series of recommendations in the form of a Declaration. In it, they said that agreement had been reached on several key “*Objectives and Principles*,” including:

- Economic integration of the hemisphere
- Promotion of integration of capital markets
- Consistency with the World Trade Organisation (WTO)
- Elimination of barriers and non-tariff barriers to trade
- Elimination of agricultural export subsidies
- Elimination of barriers to foreign investment
- A legal framework to protect investors and their investments
- Enhanced government procurement measures
- New negotiations on the inclusion of services

Since then, information about just what is contained in the FTAA working documents has been sparse. However, the US seems intent on liberalising services, including health care, education, environmental services and water services. The FTAA will include provisions on investment similar to those in the defeated MAI and Chapter 11 of NAFTA, whereby corporations will be able to sue governments directly for lost profit resulting from the passage of laws designed to protect health and safety, workers rights or environmental standards (see box, p6).

The “*Miami Group*” - the US, Canada, Argentina, Uruguay and Chile - is also intent on forcing all countries of the Americas to accept biotechnology and genetically modified foods, thereby promoting the interests of biotech com-



panies over the survival needs of small farmers, peasants and communities throughout Latin America. Finally, the US is trying to expand NAFTA's industry-friendly rules on patents to the hemisphere, rules that give a company with a patent in one country the monopoly marketing rights to the item throughout the region.

The FTAA is a plan to create the most far-reaching trade agreement ever negotiated. The combination of a whole new services agreement in the FTAA combined with the existing (and perhaps even extended) NAFTA investment provisions represent a whole new threat to every aspect of life for all Americans, North and South. This powerful combination will give transnational corporations of the hemisphere important new rights, even in the supposedly protected areas of health care, social security, education, environmental protection services, water supply, culture, natural resource protection and all levels of government services.

Impact on Latin America

The countries of Central and South America and the Caribbean are being given all sorts of promises about the FTAA. More liberalised trade and investment will create the biggest trade powerhouse in history, thereby spreading prosperity to the many millions of the region currently without work or hope, they are told. Latin Americans should examine these promises very carefully before jumping into this pact. The reality is that Latin America has been living under this FTAA model for over a decade. It is based on the Structural Adjustment programs of the World Bank and the IMF that Latin Americans know only too well. It was the deregulation and privatisation imperatives of structural adjustment that forced most to dismantle public infrastructure in the first place.

In order to be eligible for debt relief, many dozens of the countries of the Americas were forced

to abandon public social programs, allowing for-profit foreign corporations to come in and sell their health and education "products" to "consumers" who can afford them. US health care corporations, such as Aetna International and American International, are reporting 20% growth in the region per year. Countries are allowed to maintain the most basic of public services only for the poor; but these services are so inadequate that the corporations are not interested in them, so many millions of people in the hemisphere go without the most basic education and health services.

Under the FTAA, this process will accelerate, wiping out traditional medicine, education and cultural diversity. Worldwide economic and cultural harmonisation is acknowledged to be the goal. Says one top US WTO official: "*Basically, it won't stop until foreigners finally start to think like Americans, act like Americans and – most of all – shop like Americans.*"

The last decade of trade and investment liberalisation has already caused great suffering in Latin America. Interest rates on debt payments have soared from 3% in 1980 to over 20% today. Latin America has the highest rate of inequitable income distribution in the world. After swallowing its free market medicine, it now has a poverty rate higher than it was in 1980 and the buying power of Latin American workers is 27% lower.

Mexico, eight years into NAFTA, now has record-high poverty rates of 70%, and the average minimum wage has lost more than three-quarters of its purchasing power during that time. Ninety million Latin Americans are now homeless and 105 million have no access to health care whatsoever. Child labour has grown dramatically; there are now at least 19 million children working in terrible conditions. Massive environmental degradation has resulted from the region's desperate rush to exploit its



THE FTAA'S GREATEST HITS

1. Services

This new agreement is meant to be compatible with the WTO's General Agreement on Trade in Services (GATS). The GATS is mandated to restrict government actions with regard to services through a set of legally binding constraints backed up by WTO-enforced trade sanctions. Its most fundamental purpose is to constrain all levels of government in their delivery of services and to facilitate access to government contracts by transnational corporations in a multitude of areas, including health care, child care, elder care, education, museums, libraries, law, social assistance, architecture, energy, water services, environmental protection services, real estate, insurance, tourism, postal services, transportation, publishing, broadcasting and many others. The FTAA negotiating services agreement is even more sweeping than the GATS.

2. Investment

This provision builds on the investment chapter of NAFTA, Chapter 11. NAFTA was the first international trade agreement in the world to allow a private interest, usually a corporation or an industry sector, to bypass its own government and directly challenge the laws, policies and practices of another NAFTA government if these laws, policies and practices impinge on the established "rights" of the corporation in question. Chapter 11 gives the corporation the right to sue for compensation for lost current and future profit from government actions, no matter how legal these actions may be or for what purpose they have been taken. The inclusion of such sweeping investment provisions is a way of introducing a form of the Multilateral Agreement on Investment, a proposed OECD investment treaty that was abandoned in the face of massive civil society resistance, into the FTAA. Combined with other proposed FTAA measures, these investment provisions will allow corporations to undermine the ability of all governments to provide social security and health protection to their citizens.

3. Market Access

The Negotiating Group on Market Access has been charged with identifying and eliminating any unnecessary "technical barriers to trade" in line with the WTO. Under The WTO Technical Barriers to Trade (TBT) Agreement, a nation must be prepared to prove, if challenged, that its environmental and safety standards are both "necessary" and the "least trade restrictive" way to achieve the desired conservation goals, food safety or health standard. This means that a country bears the burden of proving a negative - that no other measure consistent with the WTO is reasonably available to protect environmental concerns. The WTO TBT Agreement also sets out an onerous procedural code for establishing new laws and regulations so arduous that it is very difficult for any nation to meet.

4. Agriculture

The FTAA's agriculture provisions are based on the WTO's Agreement on Agriculture. The FTAA plans to set rules on the trade in food and restrict domestic agriculture policy, down to the level of support for farmers, the ability to maintain emergency food stocks, set food safety rules and ensure food supply. The WTO Agreement on the Application of Sanitary and Phytosanitary Standards (SPS) sets constraints on government policies relating to food safety and animal and



plant health, from pesticides and biological contaminants to food inspection, product labelling and genetically modified foods. The Agreement has been used to defeat the use of the “*precautionary principle*” to establish regulatory controls. The precautionary principle allows regulatory action when there is risk of harm, even if there remains scientific uncertainty about the extent and nature of the potential impacts of a product or practice. By choosing the WTO SPS Agreement over the NAFTA SPS provisions, the drafters of the FTAA are moving to totally remove the right of individual governments of the Americas to set standards in the crucial areas of health, food safety and the environment.

5. Intellectual Property Rights

As of January 1, 2000, all FTAA countries are subject to the rules of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). This agreement sets enforceable global rules on patents, copyrights and trademark. It has gone far beyond its initial scope of protecting original inventions or cultural products and now permits the practice of patenting plants and animal forms as well as seeds. It promotes the private rights of corporations over local communities and their genetic heritage and traditional medicines. It allows transnational pharmaceutical corporations to keep drug prices high: recently TRIPS has been invoked to stop developing countries from providing generic, cheaper drugs to AIDS patients in the Third World. The FTAA Negotiating Group on Intellectual Property has speculated that it might go beyond the WTO TRIPS Agreement in certain unspecified areas. Certainly, the additional powers of Chapter 11, the investor-state clause, will add strength to any intellectual property rights legislation in the FTAA and increase corporate power.

6. Competition Policy

The mandate of the Negotiating Group on Competition Policy is to “*guarantee that the benefits of the FTAA liberalization process not be undermined by anti-competitive business practices.*” Ostensibly, the aim is to promote competition, but the result, particularly for developing countries, is that they are often forced to break up their existing monopolies, only to find that they have given foreign-based transnational corporations golden opportunities to come in and pick off the smaller domestic companies. In this way, they can establish a whole new monopoly protected by WTO agreements such as the TRIPS and the Financial Services Agreement, both of which protect global mega-mergers.

7. Dispute Settlement

It remains to be seen whether the FTAA dispute settlement mechanism will mirror the NAFTA model or the more punitive system of the WTO. Dozens of nation-state health, food safety and environmental laws have been struck down through the WTO process. Needless to say, the rulings affect poor countries much more significantly than wealthy ones. Sanctions against a country that depends on one or two export crops for survival can be devastating. It is little surprise that the majority of WTO challenges have come from wealthy countries. In fact, the US initiated almost half of the 117 WTO challenges launched between 1995 and 2000. It seems the FTAA negotiators are more likely to choose to retain the powers of private dispute settlements contained in the investor-to-state provisions of NAFTA, while opting for the more stringent conditions of the WTO to settle state-to-state disputes. This would be in keeping with the other proposals for the FTAA: whichever existing (or even proposed) model has the strongest discipline is the model of choice.



natural resources and the use of pesticides and fertilisers has tripled since 1996.

The exploitation of Latin America's natural resources by North American corporations now taking place would dramatically increase under a hemispheric pact. Transnational mining, energy, water, engineering, forestry and fisheries corporations would have new access to the precious resource base of every country and the investor-state right to challenge any government that tries to limit their access to them. The ability of governments to protect the ecology or set environmental standards regarding the extraction of natural resources would be greatly reduced, as would the right to ensure local jobs from any activity of foreign corporations.

Joining the FTAA under these circumstances would be "tantamount to suicide," says the coalition of trade unions of the Southern Cone countries. In December 2000, the major unions of Argentina, Brazil, Paraguay and Uruguay called upon their governments to submit the FTAA to national plebiscites, which they believe would result in its defeat. The FTAA process is deepening the already growing poverty of the region, the union leaders said, putting "limits on national institutions that should decide the future of each country, while pushing aside the mechanisms that allow society to ensure a democratic administration of the state." ❧

**Maude Barlow is the Volunteer Chairperson of The Council of Canadians, Canada's largest public advocacy group, and a Director with the International Forum on Globalisation. The current article is adapted from: "Summing up the Summit" and "The Free Trade Area of the Americas and the Threat to Social Programs, Environmental Sustainability and Social Justice in Canada and the Americas". Both are available at: www.Canadians.org. The Council of Canadians can be reached at 502-151 Slater*

Street, Ottawa, Ontario, K1P 5H3, Canada. Tel: (1-613) 233 2773, Fax: (1-613) 233 6776. Email: inquiries@canadians.org

For more information on the FTAA:

- The declaration from the People's Summit held in Quebec: www.peoplesummit.org
- Murray Dobbin (2001), *NAFTA's Big Brother: The Free Trade Area of the Americas and the Threat of NAFTA-style "Investor-State" Rules*, www.Canadians.org/publications/publications-main.html
- The official FTAA site, maintained by the Inter-American Development Bank, the Organisation of American States, and the United Nations Economic Commission for Latin America and the Caribbean: www.ftaa-alca.org
- FTAA from a direct action perspective: www.stopftaa.com
- FTAA international protest summary, outlines the protests at the Quebec City; lots of pictures: blake.prohosting.com/infobank/



"We have a great vision before us: a fully democratic hemisphere bound by good will". George W. Bush FTAA Summit, Quebec, April 2001



LAOS AT THE CROSSROADS

ISABELLE DELFORGE

Having stuck its heels in to resist the Green Revolution, Lao farmers are coming under increasing pressure to adopt the industrial agricultural model and to join the global market place. Housing some of the richest genetic resources in Southeast Asia, Laos has also caught the eye of bioprospectors interested in its rich rice heritage and strong traditional medicine culture. These two influences have started the gene drain, which will accelerate fast unless the country takes some conscious steps to stem the flow. Will Laos follow the path chosen by its newly industrialising neighbours or cut its own trail in a direction that supports sustainable agriculture, peoples' livelihoods and its genetic heritage?

Laos is a small, landlocked country whose most valuable resource is human and natural diversity. It is home to five million people comprising 47 main ethnic groups and about 150 sub-groups with distinctive traditions and knowledge. It also houses the most pristine tropical rainforest remaining in Southeast Asia, and has the highest availability of renewable water resources per capita in Asia. Its rich diversity includes at least 3-4,000 varieties of rice and a treasure trove of medicinal plants. No wonder that the International Rice Research Institute (IRRI) has described Laos as a "collector's paradise".

Laos is one of the least industrialised countries in the world and is categorised as a Least Developed Country (LDC). But its LDC label could be more positively spelt out as a Least Damaged Country. The strikingly low density of population (22 people/km² compared with 117/km² in Thailand and 238/km² in Vietnam), its mountainous topography and its relative isolation from the world economy have protected it from the massive destruction of natural resources seen elsewhere in the region. (The one exception to this is the extensive damage caused by the Vietnam war). The industrial

sector is extremely limited and the vast majority of the population are subsistence farmers.

Yet in the last decade, the landscape started to change dramatically. In 1986, Laos entered its New Economic Mechanism, ushering in a transition from centrally-planned to market economy. As soon as it opened up to the capitalist world, a new breed of professionals entered the country: retailers of agrochemical products, loggers and bioprospectors. The rush to collect the rich diversity and the related traditional knowledge has been described by IRRI as a "race against time", since Laos' integration to the global world is leading to a massive and rapid depletion of its natural resources.

Sticky rice glues the country together

Agriculture is the main source of food and income for 84% of the population. According to the World Bank, this sector accounts for more than 50% of the Gross Domestic Product. Civil servants, teachers and small shopkeepers in the urban areas commonly grow rice and vegetables as a secondary source of income. Rice is the single most important crop and is grown 80%



Laos and its neighbours

of the cultivated area. Rice fields are even found in the centre of Vientiane, the capital city. Most rice is consumed directly by producers and only 10% is sold on the market. Laos is located within the primary centre of origin and domestication of Asian rice (*Oryza sativa L.*), and archaeological findings have traced its cultivation back 4,000 years. Some 85% of the rice produced in Laos is the glutinous type known as “sticky rice”, which also has its centre of origin in Laos and Northern Thailand.

Lao farmers usually grow one crop a year, using minimum inputs apart from family labour. Most production is rainfed, with only about 12% of cultivated land under irrigation. The lowland area stretching along the Mekong River Valley is the rice basket of the country, generating 88% of national production. Here, the rapid introduction of improved seeds, the increased use of agrochemical products and mechanisation is progressing at a very fast pace. On the other hand, only traditional varieties are cultivated in the upland areas, and hardly any chemical inputs are used. Upland cultivation produces less than 12% of the national rice

harvest, but a wide range of other crops, fruits and vegetables are intercropped with it.

Centuries of farmers’ selection as well as rich cultural and ecosystem diversity have allowed the development of an amazing diversity of traditional rice varieties. In the villages and markets, rice colours range from black to purple to white to red to brown. People select rice by smelling it, as they value aromatic varieties highly. Farmers name them according to their agronomic characteristics, taste or appearance. These include “early aroma from heaven” (*Do intok*), “broken jaw rice” (*Khao khang lout hak*), “rice which forgets water” (*Khao leum nam*), “rice protected from the wind” (*Khao pan lom*), and “rice that wins against weeds” (*Khao phe nya*).

In the lowlands, farmers traditionally grow an average of three to five varieties of differing maturity time on various terraces in order to reduce risk, distribute labour demand and meet specific consumption requirements. However, in the southern region up to seven varieties have been recorded as being grown by individual households, and as many as 18 varieties were identified in a single village. But the greatest diversity is found in the upland areas. Farmers grow many varieties together in the same field to reduce potential risks due to droughts, floods, pests and diseases. As many as 13 different types of have been identified in a single field in Luang Prabang in the North of the country.

Sticky rice against globalisation

From 1961 to 1973, the US Army dropped two million tonnes of bombs on Laos as part of its campaign during the Vietnam war. Laos became the most heavily bombed country per capita in human history. Thousands of people died, villages and towns were flattened while Agent Orange destroyed forests and arable land for decades. While the bombing was taking place,



The US Agency for International Development was heavily supporting the pro-US government in Vientiane. The aid agency sponsored the introduction of new high-yielding rice varieties and the chemical inputs that were being widely promoted in many Asian's countries. These "miracle seeds" were part of the US' strategy to supplement its military efforts to get rid of communism.

By the mid-seventies, the US had lost the war in Vietnam and Laos, and the Lao communist party had founded the People's Democratic Republic of Laos. By then, the Green Revolution had failed. The improved varieties that were sweeping through Asia at that time were non-glutinous types and Lao farmers rejected them in favour of traditional sticky varieties. This is the reason that up to the early nineties, Laos largely kept away from the industrial agricultural model.

Various crosses aimed at improving glutinous rice were made at the newly-created Salakham Rice Research and Seed Multiplication Station from the late seventies to the early nineties, but these had met with little success. Prior to 1993, traditional seeds were grown on more than 90% of the rainfed lowlands and on the totality of the upland paddies. Farmers keep their seeds from year to year, exchanging them at the local level, and buying new ones every 3 or 4 years, if cash is available, either from the government or the commercial sector.

A surge of new seeds

However, in 1993, the National Rice Research Programme (a collaboration between IRRI and the National Agriculture and Forestry Research Institute) started releasing new glutinous varieties. Ironically, despite the rich diversity available in the country, the research programme only used material from outside, mainly from Thai-IRRI lines. None of the nine improved

varieties released to farmers so far have been developed from local seeds. In recent years, the few Lao formal breeders that exist have started researching on local varieties. Initial results are promising: 1999 trials showed that some local varieties can produce up to 4.8 tons per hectare, compared to the national average of 2.9 tons.

Apart from the varieties promoted by the government's extension services, improved seeds are also entering Laos (legally and illegally) from Thailand, China and Vietnam, mostly brought in by individual farmers or small retailers. The country's extensive and porous borders and the long history of cross-border trade hinder all attempts to control these movements. One hybrid rice variety from China is now grown by an increasing number of farmers in the North of the country. Producers were attracted by the promise of higher yields, but were put off by the poor eating quality of this non-glutinous rice. However, in some cases they have become dependent on seed merchants for each planting, because they can no longer save their own seed.

Despite the slow rate of influx of "improved" varieties into the country as a whole, in the lowland areas new varieties are now rapidly replacing traditional ones. In 1999, more than 70% of the area in most provinces along the Mekong River Valley was sown to improved varieties. Here, genetic erosion is taking place at a very fast pace. As a joint Lao-IRRI rice germplasm collection programme (discussed below) states, "*One of the project's major aims had been to preserve traditional varieties and wild species before they disappeared forever. Collection began at the right time in 1995 (...), just before the large-scale adoption of the modern varieties began. If the collection activity had started in 1999, many of the traditional varieties would have no longer been available in the lowland environment*".



Ironically, the impressive diversity that IRRI is trying so hard to conserve is being destroyed by the introduction of a handful of improved seeds, partly developed by IRRI itself. Very few resources and energy are being channelled towards conservation in farmers' fields. Focusing on the direct improvement of traditional varieties by farmers themselves would allow biodiversity to flourish at the same time as increasing production. In 2000, the Lao Department of Agriculture entered a participatory breeding programme with farming communities to do just this. The Biodiversity Use and Conservation in Asia Programme is being implemented in five provinces in order to revert the shift towards a sharp reduction of varieties grown in the lowland rice fields and shifting agricultural research towards the control of farmers themselves.

Chemicals on the rise

The rapid introduction of improved rice varieties in the lowland areas has not been accompanied by a massive increase in the use of agrochemicals; and the country probably remains the smallest consumer of chemical fertilisers and pesticides per capita in the region. In rainfed rice production, the use of agrochemicals remains quite limited. Most farmers continue to use organic manure and do not feel the need for pesticides as their agroecosystems remain relatively stable thanks to a high degree of biological diversity. A survey of rice farmers conducted throughout the country in 1994 indicated that the majority of the farmers who did not apply pesticides reported higher yields. The same study warned that in such an environment, the use of pesticides could rapidly upset the ecological balance and lead to pest outbreaks.

However, agrochemical use is increasing, mostly for vegetable cultivation and dry-season irrigated rice. Farmers are progressively

replacing buffalos with small tractors, thereby losing an important source of fertiliser and increasing the need for external inputs. With strong commercial pressure coming from the neighbouring countries, Laos could soon become a dumping ground for obsolete or banned chemicals produced by the world's major pesticide companies and their Asian subsidiaries.

In search of alternatives

The developing divide between farmers embracing industrial agriculture and those intent on sticking to more sustainable agricultural practices is also reflected in government policy. Although agricultural intensification remains a key thrust of agricultural policy, other elements promote more sustainable, farmer-based initiatives. A growing number of government workers, from extension workers to high ranking officials, are shifting towards the promotion of more sustainable agricultural practices. Organic or low external input agriculture is seen as an interesting proposition to generate exports. The official press regularly publishes articles about the comparative advantage Laos has in this arena. The very high cost of agrochemicals, machinery, and so on is also a strong argument in favour of development based on national resources, especially in the light of the the Asian crisis. Laos alone does not have the financial capacity to support the full package needed for agricultural intensification, and is highly dependent on external donors. The latter may have more sway over the direction agriculture heads than the government itself.

Farmers also have an important role to play. They are not mere recipients of policy guidelines. In the past, Lao farmers rejected policies that did not suit their needs. The failure of the Green Revolution 30 years ago and the collapse of the collectivised agriculture after the



GOVERNMENT AGRICULTURAL POLICY

- 1. Self-sufficiency in rice.** Feeding the rapidly growing population is the major concern of the government's policy. Self-sufficiency in rice has only just become a reality (over 2 million tons was produced in 1999). However, upland communities keep facing chronic shortages while lowlands farmers are producing surpluses.
- 2. Market-driven agriculture development.** In its Strategic Vision paper that encompasses agricultural policies for the next ten years, the government affirms that it is "*committed to trade liberalisation and regional economic integration along the guidelines of the Asian Free Trade Area, the World Trade Organisation and Asean*". It presents an optimistic scenario for a market-driven development, based on irrigation, new "*science-based inputs*", and better credit facilities for farmers. Some cash crops will be promoted due to the country's "*competitive advantage in the Mekong Corridor for products like paddy, maize, groundnuts, soybean, cotton, sugarcane and coffee*". But it is unclear how the country will be able to compete with major exporters like Thailand, Vietnam and China, except in some small niche markets, such as organic produce or "*boutique*" products like sticky aromatic rice.
- 3. Stabilisation of 'slash and burn' cultivation.** According to the Strategic Vision paper, shifting cultivation "*is seen as an unsustainable land use practice by the Government who have declared their intention to stabilise it by the year 2000 and beyond in favour of more stable and productive agricultural methods, including the more sustainable rotational land use system*". The growing pressure on land due to population increase and commercial logging has reportedly reduced the fallow period from 10 to 20 years to five to seven years, which the government sees as a problem. However, some Lao experts challenge the government's assumptions and argue that shifting cultivation can be sustainable and deserves much greater attention.

revolution were due to one factor only: people simply did not do what they were told. The situation is less black and white now, since some lowlanders are starting to adopt the industrial agricultural model, but farmers still have clear ideas of their own about what they are prepared to do and what they are not. Extension officers are sent to the fields to convince farmers to grow a second (dry season) rice crop when irrigation is available, but many farmers refuse if the first crop gives them enough rice for the whole year. The second crop is work- and capital-intensive – farmers have to pay for irrigation, chemical fertilisers and pesticides (not required for rainfed cultivation), as well as improved seeds (most traditional seeds are photosensitive and not suited for the dry season). Besides, the dry season harvest gives poor quality rice with high

moisture content that people prefer not to consume. Farmers who do grow a second crop usually sell it, keeping the rice from the rainy season for domestic consumption.

Bioprospectors roll in

It is not just a changing agricultural model that threatens Laos' biological resources and the livelihoods of the communities that tend them. Laos opened up to the outside world just as the "*green gold rush*" took off globally. With the new business opportunities offered by the patenting of plants, developed world transnational companies and research institutions intensified their efforts to appropriate the world's biological resources and related traditional knowledge. Most of the time, their



main goal is not to protect or conserve these resources, but to copyright and market them. Traditional seeds and wild species are attractive to prospectors as they can provide the raw material for crop characteristics (such as disease or drought resistance) that are valuable to commercial breeding programmes. Medicinal plants offer tremendous potential for the development of new drugs.

Attracted by the rich and relatively untouched rice diversity in Laos, IRRI signed an agreement with the Lao Department of Agriculture and Extension (DAE) for the collection of rice germplasm between 1995 and 2000. At the end of this period, IRRI-trained collectors had gathered 13,193 samples from all over the country, representing at least 3,200 varieties. Some 85.5% of these were glutinous types. They collected more than 300 aromatic varieties and 236 samples of wild rices. The researchers visited hundred of villages, from the plains of the Mekong to the top of the mountains and talked to hundreds of farmers belonging to most of the Lao ethnic groups. According to the collectors, farmers were usually happy to give out a handful of seeds, as free exchange has been a traditional practice for centuries. Nevertheless, they also admit that they sometimes faced opposition, when farmers didn't have enough seeds for themselves or when cultural taboos did not permit the giving of seeds to foreigners.

One set of samples was sent to IRRI's International Rice Genebank in the Philippines, which is the largest rice seeds collection in the world. A second set is kept in Laos, in a genebank created at the National Agricultural Research Center for medium-term preservation. However, as a Lao researcher puts it: *"Our genebank is supposed to keep the seeds for 20 years, but that doesn't take into account the regular power cuts affecting the area. It might actually be much shorter"*.

IRRI sees this programme as a remarkable achievement, making Laos the second largest provider of cultivated rices to its genebank (after India). Nevertheless, mixed feelings are expressed on the Lao side. On one hand, researchers and officials are proud of such positive international recognition instead of the usual negative connotations of being a Least Developed Country. For once, Laos has been recognised as a wealthy country, and rich in the most highly valued product in local culture and daily life. In addition, IRRI has provided funding for some of the Lao institutions' activities. Without outside support, national research centres have minimal financial capacity to conduct seed collection and research programmes. Expressing their clear preference for local material, the formal breeders are now starting to tap their new genebank to develop local varieties.

On the other hand, Lao officials are aware that the programme is a trade-off, and that in order to keep working, they are selling away the Lao heritage. As one researcher put it: *"IRRI promised not to give any samples of our material for commercial purposes, but for research only. But of course, once the samples are in the Philippines, they can do what they want with them. We lose control"*. Several people involved in the programme expressed concern over access issues related to the samples. And no thorough discussion has taken place within the institutions involved, not to mention the rural communities, on issues related to intellectual property rights (IPRs). This issue is particularly pressing, since the Programme report concludes that: *"Information about the collected samples is probably equally important as the germplasm itself. There is now an urgent need to document the indigenous knowledge of rice of Lao farmers, to complement the rice collection"*. Like many other countries, Lao legislation on IPRs is pretty much non-existent, and that which is in the pipeline is being guided by the pro-



IPRS: LAOS UNDER PRESSURE

As a condition to access to World Trade Organisation (WTO) membership, the Lao government is under pressure to adopt IPR legislation in accordance with international standards. The World Intellectual Property Organisation is funding the Science, Technology and Environment Agency to develop this new legal framework. Significantly, the only related legislation passed so far is a decree on trademarks (1995) that protects foreign business almost exclusively: out of the 800 applications granted up to now, 99% were granted to foreign companies. Beside this, a law on industrial property has already been adopted by the Prime Minister's Office but is awaiting for WIPO's comments on its compatibility with the Trade Related Intellectual Property Rights (TRIPS) agreement before it can be adopted. A Plant Variety Protection bill is also under preparation and should be adopted by the end of 2001. It complies with the 1991 version of the Union for the Protection of Plant Varieties (UPOV 91), which is a first step towards the patenting of plants. As a Lao expert in IPR simply explained: this legal framework is conceived to comply with international standards and to allow Laos to become a full WTO member rather than answer national needs.

industry agenda (above). The way things are headed, the country is about to sign away its rights to its most valuable resources, which will increase the gene drain dramatically.

As a publicly funded international institution, IIRI offers free access to its genebank to any interested parties. It is therefore very easy for transnational corporations to use this material freely, to modify it slightly, and to patent the 'new' seed. Moreover, the research institution has recently been entering controversial agreements with the private sector, allowing corporate 'partners' to patent the results of research led by the public sector. As a result, farmers from developing countries end up paying royalties on seeds that they have largely developed, adding to the profits of a few global companies. IIRI has been directly implicated in the US corporation RiceTec's controversial patents on basmati rice. The Texan firm got basmati lines from IIRI, which in turn got them from India and Pakistan. Now they are patented in the US.

Hijacking the healers

The wide range of traditional remedies still used by the various ethnic groups in Laos is attracting

bioprospectors from all over the world. A clear target is the Research Institute of Medicinal Plants that has been collecting local knowledge and researching local medicinal plants for 25 years. The Ministry of Health promotes traditional medicines as an important part of the country's primary health system for both rural and urban people. Traditional medicines are part of the curriculum in the schools of pharmacy and are regularly prescribed by doctors.

Attracted by the high commercial potential of these resources, the University of Illinois at Chicago (US) and the leading pharmaceutical company Glaxo Wellcome-UK (now Glaxo-SmithKline) signed an agreement with the Research Institute of Medicinal Plants in Laos and various Vietnamese institutions in order to make an inventory of traditional natural remedies in the two countries and to develop new commercial drugs. The programme focuses on antimalarial, anticancer, and antiviral/anti AIDS treatments, and drugs against diseases of the central nervous system.

This agreement is part of a larger US-funded bioprospecting programme called the International Cooperative Biodiversity Group (ICBG), operated by various institutions and



private companies in 12 developing countries. The ICBG supposedly “addresses biodiversity conservation and the promotion of sustained economic activity through drug discovery from natural products”. It also claims to promote an “ambitious approach to bioprospecting (that may be) able to address three of the most pressing conditions of the planet simultaneously: disease, poverty and biodiversity loss”. But the reality check is not convincing.

In 1998, the staff of the Research Institute started collecting plants and information under the instructions of its US and UK partners. Informed consent agreements were limited to the requirements of the Convention on Biological Diversity (CBD), since the government does not have any requirements of its own (see box). All the CBD demands is a collecting permit signed by a government agency and not by the communities, except for a vague and non binding provision mentioning that permits or informed consent by specific communities or individuals will be obtained “as the need arises in specific circumstances.” Traditional Medicine Stations at the provincial level were simply asked to introduce project staff to the most renowned healers in surrounding villages to enquire about the plants they use. So far, around 220 samples of plants have been sent to the University of Illinois for screening. Among them, five have been found to have active components: four for treatments against malaria and one against AIDS. The active components have been patented by the University of Illinois and delivered to Glaxo for further development and clinical trials. The bioprospecting project is due to end in 2002, but its promoters intend to reapply for another 5 years of ICBG funding.

What Benefit Sharing?

Benefit sharing is a much hyped provision of bioprospecting agreements. The favourite word is “equitable”. According to ICBG: “Intelle-

ctual property agreements are negotiated among participating institutions so that economic and other benefits from these discoveries are equitably shared and accrue to local institutions and communities involved in the discovery of the natural product. Contributions from pharmaceutical and agrosience companies include screening for therapeutic potential, training opportunities, equipment donations, financial support, and royalties from the sale of any product developed as a result of ICBG research”. But what is the bargaining power of a resourceless public institution in a Least Developed Country compared to the US government and a huge pharmaceutical corporation? This imbalance makes any discussions on benefit sharing somewhat farcical.

Djaja Djendoel Soejarto, the head of the project based at the University of Illinois, is a major bioprospector in Southeast Asia and is a specialist in benefit-sharing agreements. He offers assurance that the scheme is satisfactory to the compound discoverers, the pharmaceutical company and the host country. But he is not ready to disclose the details of this highly confidential agreement.

According to the Lao research institute, there is no formal agreement between the collectors and the communities: “*We just go away if they don't agree to give us the information. If they give us a lot of good information, we have a small reciprocity fund for the community – about 1 million kip (\$US 120). With that amount of money, they can repair the school, the temple, set up a medicinal garden... And we always record the name of the healer in the data collection to be able to trace him back*”.

According to ICBG, “*the long-term contribution of the project to the economic development of the communities lies in the potential funds to be derived from royalties of a successfully developed compound*”. In this



ACCESS TO GENETIC RESOURCES

The Lao PDR signed the Convention on Biological Diversity in 1995, but so far, the country has no legislation on access to genetic resources and benefit sharing. A *“decree on biological resources and related traditional knowledge”* was drafted in 1997 by the Lao Prime Minister’s office, with the support of the Centre of Asian Legal Studies at the University of British Columbia (Canada), the Vice-Rector of Cantho University (Vietnam) and the Third World Network (Malaysia). This draft legislation holds that *“biological resources are the national patrimony of the Lao people”* and *“recognises local communities as owners of biological resources including related traditional knowledge and innovations”*. Under this draft legislation, no one may use these resources without a permit issued by the government and without the prior informed consent of the local communities. The Lao government has never formally adopted the decree. But some recent indications suggest that it may be revived in the near future as part of the drafting of a National Biodiversity Strategy and Action Plan by the Science, Technology and Environment Agency (STEA).

case, more than 51% of royalty income is supposed to be returned to the source country. But this figure is extremely misleading. According to Soejarto, GSK returns only 3 to 5% of the royalties to the benefit-sharing scheme. Out of that, the University of Illinois deducts some of its expenses (like the exorbitant legal costs for patent registration), and then splits the remainder into two parts. Half goes to the US institutions involved in the ICBG programme, the inventors, and the university, while the other 50% is supposed to go back to Vietnam and Laos through a trust fund. To add insult to injury, the draft by-laws of the fund specifies that up to 20-25% of that amount can still be used by the University of Illinois for administrative expenses of the fund. So, the promised 51% really translates to something in the range of 1%.

At the end of this confusing fraction game, the monetary return to Laos and Vietnam is miniscule, especially when it is compared to the profits of the pharmaceutical corporation. Furthermore, nothing is stated about the way in which communities will be involved in fund management or what other benefits they will get from the agreement. The Research Institute of Medicinal Plants does not get a great deal either. It does not receive any payment per

sample, but instead a fixed grant used to cover the costs of collection, purchase equipment, and build a tissue culture room. The centre’s budget remains extremely limited. It is understaffed and the employees express a strong need for training and capacity building. Despite project rhetoric, training opportunities have been limited to a short study trip to Vietnam for three Lao researchers. The institute does not have the funds or capacity to market its products nationally, while GSK’s global sales and marketing team is more than 40,000 strong.

Biodiversity, a commodity

When Laos decided to open up its economy, the country had little option but to step into the global model, where market forces dictate the rules. Free trade reforms were part of the deal imposed by multilateral funders and developed countries. Foreign capital has indeed entered the country, but this has not been matched by a significant strengthening of the local economy. On the contrary, what is happening is a massive auction of the country’s main capital: its natural resources, its biodiversity and people’s knowledge related to it. Some 3,000 varieties of rice have been made freely available in the world’s biggest genebank at IRRI, forests are being massively exploited by foreign companies and



traditional medicines are being handed over to large corporate interests virtually free-of-charge. Foreign debt has increased dramatically, forcing the country to exploit further its resources to pay back its lenders.

Many of the international institutions 'helping' Laos to join the global market-place are acting as double agents, supporting conservation on the one hand and promoting over-exploitation of resources on the other. For example, the World Bank is funding large dams, which flood huge forested areas, while at the same time giving loans for forest conservation. IRRI set up a rice seed collection programme while its improved seeds are wiping out the diversity it is trying to conserve. The UN's Food and Agriculture Organisation is running a programme aimed at reducing pesticide use, while promoting a new "food security programme" based on agricultural intensification.

There are two main consequences of this systematic transformation of resources into commercial goods. Firstly, what was formally controlled and collectively used by local people is shifting under the control of external agents and huge corporations. This is a move towards privatisation and away from collective ownership. Secondly, massive destruction of natural resources and diversity is taking place, which will affect peoples' livelihoods more and more seriously as time goes on. Nevertheless, compared to many countries in the world, Laos is still at an early stage of 'destruction by globalisation'. Instead of handing over local resources to corporate plunder, it still has time to take a stand against the prevailing free market model and support diversity, peoples' livelihoods and local control. The international community has a responsibility to help Laos take this bold step. ☞

Isabelle Delforge is a consultant based in Vientiane, Laos. She can be reached by email

at isado@laotel.com. The author gratefully acknowledges the contributions of Dit-Dit Perigrina (Southeast Asia Regional Institute for Community Education – SEARICE) and Shalmali Guttal (Focus on the Global South).

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Sprouting Up: IU INCHES TOWARDS THE FINISH LINE

The recent meeting in Spoleto (Italy) on the International Undertaking (IU) on Plant Genetic Resources for Food and Agriculture was generally seen as a 'now-or-never' session for the tortured agreement (see *Seedling*, March 2001, p2). At stake is the world's access to the biodiversity in the food that feeds us. The Spoleto negotiations, held in the last week of April, were in many ways similar to many of the previous sessions. After the first three days of totally blocked negotiations, the Chair insisted that negotiators either recognise failure and go home, or get serious and move on. In the end, the deadlock was broken and progress was made.

On several points, agreements in principle were reached between Europe and the developing countries bloc, which left other industrialised countries (the US, Canada and Australia) more isolated. These included agreements on language about how to deal with two key issues: intellectual property rights (IPRs) and the fate of material held by the institutes of the Consultative Group on International Agricultural Research. On the last day, however – in a clear move to undermine any progress – the US reinstated an old proposal that would render the entire IU useless. It consists of letting each country decide which germplasm of each crop to include in the multilateral system, based on the argument that governments cannot control what private companies collect, store and exchange.

NGOs have had increased presence at the negotiations of late. But the essence of their demands – no IPRs on plant genetic resources for food and agriculture and stronger Farmers' Rights – have not really been dealt with. Their demand for a comprehensive list of crops to be included in the IU has only partially been met. In Spoleto, the number of crops to be included in the multilateral system increased from five to 30. But many of the so-called 'minor crops' – and many fruit and vegetable crops – are not on the list despite being crucial for local food security.

Several years ago on a very weak version of Farmers' Rights was agreed by delegates. This provision must be strengthened in the IU, or an accompanying resolution must be agreed that commits countries to deal with this issue on a higher level, perhaps at the UN High Commission on Human Rights. The current compromise text that prevents countries from claiming IPRs on the genetic resources "*in the form received*" from the multilateral system does put some limitation on the patenting of crop germplasm, but is a far cry from NGO demands. A stronger limitation on IPRs in exchange for a longer and more inclusive list of crops to be covered, could well be the basic trade-off in the final negotiations.

The most important news from Spoleto is that the IU survived another hurdle – and is now headed towards a final make-or-break session of the Commission on Genetic Resources for Food and Agriculture on June 24-30. The other good news is that now there seems to be greater consensus between Europe and most of the developing countries, which could form enough of a basis for the adoption of a new IU. However, opposition to any meaningful and comprehensive agreement for crop germplasm has also stepped up. The US can be expected to use any channels available to block it. It is important that as many NGOs as possible actively engage in the process, by lobbying their governments and participating in Rome.

Source: UK Agricultural Biodiversity Coalition. Detailed coverage of the Spoleto session can be found at : www.iisd.ca/linkages/biodiv/iucg6. RAFI has prepared a report on Spoleto: www.rafi.org. Further information can be found at UK ABC's website: www.ukabc.org/iu2.htm



**INITIATIVES
&
ACTIONS**

Registration for the 4th WTO Ministerial

NGO registration for the World Trade Organisation's (WTO) 4th Ministerial meeting has been opened. The meeting is to be held in Doha, Qatar, from 9 to 13 November, 2001. As with past ministerials, the number of NGOs that will be allowed to participate is limited. NGOs must supply in detail "*all necessary information showing how they are concerned with matters related to those of the WTO*". Registration requests must be received by 2 July 2001. The Institute for Agriculture and Trade Policy (IATP) encourages as many organisations as possible to attempt to register, to demonstrate the inability of the WTO to allow the democratic participation of NGOs worldwide.

To register, or for more information, E-mail: NGOregistration@wto.org. Or write to the WTO External Relations Division, Centre William Rappard, 154, rue de Lausanne, 1211 Geneva 21, Switzerland

Schmeiser appeals Monsanto ruling

On 29 March 2001, a federal court in Canada ruled that Percy Schmeiser, a farmer in Saskatoon, was obliged to pay for the use of a patented transgenic oilseed rape (canola) variety owned by Monsanto. Schmeiser testified that he neither purchased nor planted such seed and that his crop had been contaminated by pollen from outside his farm. The court ruled that it didn't matter if Schmeiser didn't plant the seed himself; he remains nonetheless liable for the use of Monsanto's proprietary gene. The farmer now has to pay Monsanto \$10,000 in user's fees and up to \$75,000 in profits from the harvest in question. Schmeiser feels what has happened to him is fundamentally wrong and it is

happening to farmers all over the world. He has decided that he has no alternative but to appeal. So far Schmeiser has used his assets to fight Monsanto, but those remaining will be wiped out should the judge rule he pay damages and court costs. People have already generously given to his appeal fund, but he still needs about another \$US 50,000.

You can send donations direct to Percy Schmeiser through his website at www.percyschmeiser.com. The Gaia Foundation in the UK is also opening a special account for this purpose and has suggested that NGOs in other countries pool their donations before sending them. Contact Gaia: E-mail: gaia@gaianet.org, Tel: (44-20) 7435 5000, Fax: (44-20) 7431 0551.

Filipino farmers protest IRRI's 40th birthday

On April 4, Filipino rice farmers protested against the Philippine-based International Rice Research Institute (IRRI), which was celebrating its 40th anniversary. Calls of "*IRRI out*" and "*No to GMO*" reverberated as hundreds of protesters trooped to the President's Palace. The celebration was allegedly moved to this venue due to the presence of picketing protesters in front of IRRI's headquarters in Los Baños, 65 km southeast of Manila. Protesters said that aside from promoting the US agenda of counter-insurgency and corporate domination of domestic agricultural production, IRRI's much-flaunted Green Revolution "*caused massive loss of biological diversity in rice paddies throughout Asia*". Representatives from Bangladesh, Thailand, Malaysia, and Japan also joined the Filipino protesters. The protest action was jointly organised by the Peasant Movement



Ka Memong (Felicisimo B Patayan), former vice-chairman of KMP and former chairman of MASIPAG speaking at the IRRI rally

of the Philippines (KMP), Farmer-Scientist Partnership for Development (MASIPAG) and Pesticide Action Network (PAN) Philippines.

Contact: MASIPAG/Farmer-Scientist Partnership for Development, 3346 Aguila St, Rhoda Subdivision, Los Baños, Laguna, the Philippines. Tel./Fax: (63-49) 536-5549, E-mail: masipag@mozcom.com

Indonesian NGOs fight Bt cotton release.

NGOs in Indonesia have filed suit against the ministry of agriculture decree permitting the release of Bt cotton. The decree, issued by Agriculture Minister Bungaran Saragih on February 6, allows the limited release of transgenic cotton Bt DP 5690B under the name of *NuCOTN 35B* or *Bollgard* in seven regencies in South Sulawesi. On behalf of 78 NGOs, a coalition of six NGOs filed the suit: Konphlindo, the Indonesian Consumer Organization (YLKI), Biodinamika Pertanian Indonesia (on behalf PAN Indonesia), ICEL (the Indonesian Center for Environmental Law), the Indonesian Consumer Organisation chapter South Sulawesi

(YLKSS), and YLPPM, another local NGO from South Sulawesi. Activists attempted to intercept a convoy of trucks carrying 40 tons of the GM cotton seed unloaded from a military plane at Sulawesi's Makassar airport. According to the Jakarta post, Indonesia's Minister of Environment has joined the NGOs in opposing the use of transgenic crops until they are proven to pose no harm to humans and to the environment. The idea of growing cotton is to reduce the country's dependence on imported cotton for its textile industry. However, the cotton plant does not grow well in Indonesia and other tropical countries.

For more information, contact Riza V. Tjahjaji, E-mail: biotani@rad.net.id

Another victory for the basmati campaign

The Campaign against Basmati Biopiracy has won a further victory. Claim numbers 1 to 3, 5 to 7, 10, 12 to 14 and 18 to 20 of the US company RiceTec's Basmati Patent have been rejected by the US Patent and Trademarks Office (US PTO) on the grounds of prior art. This means that only three of the original 20 claims now remain. According to David Hathaway, this seems to narrow the patent scope down to any new rice variety produced from three specific varieties in RiceTec's existing collection. Considering where those varieties originally came from, *"this is still a biopiracy problem, but at least not so broad-reaching as before, and probably of much less commercial interest to the company"*. In 1997, the Texas-based RiceTec Inc. obtained Patent No. 5663484 from the US Patent Office on *"Basmati rice lines and grains"*. Under pressure from Indian NGOs in June 2000, the Indian Government filed a *"request for re-examination"* at the US PTO for claims 15 - 17. Further NGO pressure led RiceTec to withdraw four claims and the US PTO to open up all remaining claims for re-examination.

Contact: Research Foundation for Science, Technology and Ecology, A-60, Hauz Khas,



New Delhi - 110 016, India. Tel: (91-11) 6968 077, 6853 772, 6561 868. Fax: (91-11) 6856 795, 6562 093. E-mail: rfste@ndf.vsnl.net.in or the International Center for Technology Assessment, 666 Pennsylvania Ave. SE, Suite 302, Washington, DC 20003, USA. Tel: (1-202) 547 9359, Fax: (1-202) 547 9429, E-mail: info@icta.org

Save South Africa's floral heritage

Biowatch South Africa is asking NGOs to sign a petition to prevent the sell-off of the country's floral heritage. Biowatch is concerned that many ongoing bioprospecting deals are not being undertaken in line with the conditions laid out in the Convention on Biological Diversity - in particular, the short shrift given to the fair sharing of benefits obtained from bioprospecting, and to apparent disregard of the need for prior informed consent from local people. Profound ethical issues raised by the patenting of life forms have been similarly ignored. *"The lack of transparency from tax-funded institutions ... is especially alarming in light of their existing patent rights on certain South African plants, and their plans to investigate most of the country's 23,000 plants for commercially valuable properties"*.

For more information and to sign up, contact: Elfrieda Pschorn-Strauss, Biowatch South Africa, Tel/fax: (27-22) 492 3426, E-mail: eps@intekom.co.za

Treaty to share the genetic commons

A group of NGOs have launched an ambitious civil society process to draw up a *"Treaty to Share the Genetic Commons,"* which they plan to have adopted by governments and civil society at the Rio+10 Conference in South Africa next year. This new initiative aims *"to establish the Earth's gene pool, in all of its biological forms and manifestations, as a global commons to be jointly shared by all peoples"*. The treaty shares many common principles and themes as other attempts to establish a global regime to govern and regulate the use of

biological resources, such as the Convention on Biological Diversity and the International Undertaking on Plant Genetic Resources. How it differs is in its opposition to the extension of intellectual property rights to living organisms and their components. The treaty proponents argue that the goal of equitably sharing the earth's biological heritage can only be realised by prohibiting all commercial patents on life. So far the treaty has been signed by 170 organisations, including the Indigenous Peoples' Biodiversity Network (IPBN), Via Campesina, the South East Asian Regional Institute for Community Education (SEARICE), Greenpeace, the Indigenous People's Council on Biocolonialism (IPCB), the Centro de Educacion y Tecnologia (CET), and the Rural Advancement Foundation International (RAFI)

Contact: The Treaty Initiative to Share the Genetic Commons, 1660 L Street NW, Suite 21, Washington, DC 20036, USA. Tel: (1-202) 466-2823, Fax: (1-202) 429 9602. E-mail: Treaty@foet.org

International Day of Farmers' Struggle

April 17 was a special day of action by farmers and peasants around the world to protest globalisation, genetically engineered seeds and crops, landlessness, and other issues of special concern to farmers and peasants. Activists all over the world took part in protests. These included vigils, marches, and acts of protest in Brazil. Large estates in Alagoas, Rio Grande do Sul, and Matto Grosso were occupied, properties in Pernambuco were surrounded, and a vigil was held next to the landholding of Ambassador Paulo Tarso Flecha de Lima in Minas Gerais. In Mexico, members of the nonviolent Christian community Las Abejas burned coffee to protest the starvation prices for coffee being forced on small growers here. About 100 coffee growers participated in the ritual in Acteal, site of the 1997 massacre of 45 pacifist members of Las Abejas by government-sponsored paramilitaries. In Indonesia, 700-800



GRAIN LAUNCHES NEW WEBSITE

GRAIN is proud to announce the launch of a new website with new features, design and structure. The new website is the first stage in providing an online research portal on agricultural biodiversity.

- The most exciting addition is the agricultural biodiversity “*themes*”. These provide a variety of the very best documents, links, examples and other materials under each theme.
- A new search engine
- A new section entitled “*updates*” will provide the viewer with all the new additions to the website, of which the most important will be available in the pop-up box “*the latest*”.
- Three languages, three GRAIN website versions in English, Spanish and French. Throughout the site links ensure that readers can quickly switch from one version to another.
- A staff page, providing a brief description of GRAIN staff and even a picture of some of us.

This is only the start! Behind the scenes additions to the website are already being developed.

www.grain.org

We welcome any comments and suggestions. Contact Alexis Vaughan: alexis@grain.org, or write to GRAIN, Girona 25 pral, Barcelona 08010, Spain.

farmers from various parts of the country staged a rally in front of Monsanto’s headquarters and the office of the Agricultural Minister, urging him to cancel the permits of companies cultivating transgenic cotton in South Sulawesi. In Italy, 100 people held a sit-in in the Piazza Navona in Rome in front of the Brazilian Embassy, and 50 people occupied a MacDonalds outlet, handing out organic food as well as information on transnationals.

For more information, contact: Via Campesina Secr. Operateur: Apdo Postal 3628 Tegucigalpa, Honduras, Tel/Fax: (504) 220 1218. E-mail: viacam@gbm.hn

Help stop GM coffee

On 17 May, ActionAid launched a campaign to halt the development of a genetically modified (GM) coffee, which could “*wipe out the livelihoods of millions of smallholder farmers in the South*”. Seventy per cent of the world’s coffee is produced by small farmers, the vast majority of which is grown using traditional,

environmentally-friendly methods. But a new GM coffee is being developed which switches off the natural ripening process so that the coffee cherries will only ripen once it is ‘switched on’ again when sprayed with the chemical ethylene. This GM coffee is being developed for large plantations, which will be able to increase the profitability of their operations, increase the amount of coffee on the already glutted market and push market prices further down. Smallholder coffee farmers will be driven out of business and further into poverty. The only beneficiaries will be large corporations. ActionAid is issuing a public challenge to supermarkets and coffee shop chains to pledge not to sell GM coffee if/when it comes on the market, and to support smallholder farmers by promoting Fairtrade coffee.

For full details and action materials, go to www.actionaid.org/campaigns/coffee.html or contact Sophie Powell of ActionAid Campaigns, Tel: (44-20) 7561 7597, E-mail: SophieP@actionaid.org.uk.



Sprouting Up: GMOs FOUND IN FOOD AID TO LATIN AMERICA

Consumer and environmental groups in Bolivia, Colombia and Ecuador found food aid to contain genetically modified (GM) ingredients. Samples of food aid originating in the US and distributed by programs in Latin America were sent to Genetic ID, an independent laboratory in the US. The tests found levels of GMOs in soya and maize to be as high as 90%.

In Ecuador, GMO levels as high as 55% were found in samples from food from the “*Mi Papilla*” food aid programme, which provides for children aged six months to two years and pregnant mothers. Acción Ecológica, the Friends of the Earth group in Ecuador, informed Ecuadorian authorities about the test results. On May 17, the Social Welfare Ministry responded by suspending the “*Mi papilla*” and “*Mi colada*” programmes, which are sponsored by the United Nation’s World Food Program. The government will make up the food shortfall caused by the suspension of the two plans by handing out other products free of any GM ingredients. Both “*Mi papilla*” and “*Mi colada*” products are made from soya imported from the US. Dr. Elizabeth Bravo, spokesperson for Acción Ecológica, said: “*In Europe and the U.S., many baby food companies don’t use engineered ingredients in their products, but the US has sent it to our children. Alternatives to engineered ingredients exist and should be used in food aid programs.*”

In Colombia, soya was collected from the Colombian Institute of Family Welfare. The results showed 90% GM soya content in soybeans that are distributed directly to orphanages and also through Bienestarina, a food product made from soya and provided mainly to children. In Colombia there is no competent authority that has any biosafety rules over GMO foods. German Velez, spokesperson for Consumers Colombia, said: “*Biosafety is of public interest and a comprehensive biosafety framework that includes all engineered foods must be created. Until such a framework is established, no engineered food should be allowed in our country.*”

In Bolivia, samples of soya/maize blend and wheat/soya blend from USAID collected by the Bolivian Forum on Development and Environment (FOBOMADE) were found to contain GM soya and maize at levels up to 10%. A government decree from January 2001 forbids the import of products derived from GM crops. “*It is outrageous that the US authorities do not respect our laws. Just because the food is donated, it is not exempt from Bolivian laws against engineered crops,*” said Maria Luisa Ramos, a spokesperson for FOBOMADE.

Each year, more than two million tons of GMOs are sent directly by US foreign assistance to developing countries, while the World Food Program distributes another one and a half million tons of transgenic crops donated by the US government. In December 2000, the US granted \$300 million for a program called Global Food for Education. This Program will deliver 680,000 metric tonnes of surplus soya, maize, wheat and rice to countries in Latin America, Africa, Asia and Eastern Europe. Some groups speculate that the added funding is to prop up maize prices depressed in the US by genetically engineered StarLink maize contamination and to create a market for unwanted engineered crops by diverting them to food aid.

Sources: Press release from Acción Ecológica-Friends of the Earth Ecuador; report by German Velez, COCO; EFE News Service, May 18, 2001. For more information, contact: Dr. Elizabeth Bravo, Acción Ecológica, Tel: (593-2) 233 016, E-mail: ebravo@hoy.net Maria Luisa Ramos, FOBOMADE, Tel: (591-2) 421 235. German Velez, Colombian Consumers (COCO), Tel: (57-1) 334 4473 or (57-1) 341 3153, Email: semil@attglobal.net



**RESOURCES
&
DOCUMENTATION**

Following Alejandro Nadal's article in *Seedling* (June 2000), WWF International and Oxfam GB have published the full report on Mexico's attempt to liberalise domestic maize production. This report compares the original promises made by proponents of NAFTA and the liberalisation of the maize sector in Mexico with the wider economic, social and environmental implications of NAFTA today. Nadal's conclusions are stark and to the point: poverty levels in Mexico are at their highest in five years; subsistence maize farmers are in a desperate situation and many are now migrating away from rural areas; there is a continued loss of traditional maize varieties; maize yields have fallen and yet the total area planted to maize has increased; maize is increasingly being planted in environmentally sensitive areas; and consumers are now paying more for their maize than ever before. A number of policy recommendations are also made. This report covers a wide range of topics, yet does so in a very comprehensive way.

Alejandro Nadal, 2000, *The Environmental and Social Impacts of Economic Liberalisation on Corn Production in Mexico*, A Study Commissioned by Oxfam GB and WWF International, September 2000, 107pp. To order a copy, contact: WWF, Ave de Mont-Blanc, 1196 Gland, Switzerland, Tel: (41-22) 364 9111, Web: www.panda.org or read the summary article in *Seedling*, June 2000.

Erosion, Technological Transformation and Corporate Concentration in the 21st Century faces up to what author Pat Mooney considers the most decisive issues facing humanity in the next century. *Erosion* goes beyond genetic and

environmental destruction, and includes knowledge essential for livelihood micro-management. Mooney sees the Pandora's Box of *Technology* to be based on biological materials – such as nanotechnology – and informatics, which lend themselves for further concentration of economic power and disregard for social issues. *Concentration* deals with the re-organisation of economic power into the hands of global oligopolies. Faced with these grim prospects, the author calls for civil society, international organisations, public agricultural research institutes, local communities and other actors take the initiative in carving deep changes in the world development scenario.

Pat Roy Mooney, "Erosion, Technological Transformation and Corporate Concentration in the 21st Century", *Development Dialogue*, 1999:1-2 (published in 2001), Dag Hammarskjöld Foundation and RAFI, Uppsala, Sweden, 128 pp, ISSN 0345-2328. Copies from: Editorial Office, Dag Hammarskjöld Centre, Övre Slottsgatan 2, SE-753 10 Uppsala, Sweden. Fax: (46-18)12 20 72. Email: secretariat@dhf.uuse Web: www.dhf.uu.se.

Association Bédé has produced a mostly French language CD-ROM for distribution (in francophone Africa, especially) to those areas where internet access is difficult or impossible. The CD-ROM contains the complete websites for GRAIN (www.grain.org), Bédé (www.globanet.org/bede/), INFOGM (www.infogm.org) and OGM-Danger (www.ogmdangers.org).

Bédé, 2001, *Interface – Enjeux du Vivant – Biodiversité, Biotechnologies, Biosécurité*, CD-ROM. Contact Bédé at 47, place du Millénaire, 34 000 Montpellier, France. Tel/



fax: (33-4) 67 65 45 12, E-mail: bede@globenet.org, Web: www.globenet.org/bede.

The Convention on Biological Diversity – with some explanatory notes from a third world perspective is the perfect reference for all the basics about the Convention on Biological Diversity (CBD); and from a Southern perspective too. With the full CBD text, each Article (1 – 42) is explained with a small paragraph in plain English. An introduction is written by Tewolde Egziabher and Sue Edwards which also give details about the Protocols to the CBD.

Institute for Sustainable Development and Third World Network, 2000, *The Convention on Biological Diversity – with some explanatory notes from a third world perspective*, May 2000, Available on the GRAIN website in the Negotiations theme in Word, PDF and html formats. It is also available from GRAIN by e-mail, and paper copies will be sent on request.

Readers should bear in mind that the departure point for this booklet is the acceptance of IPRs and the logic of international negotiations. From that perspective, the author offers a good analysis of how the different objectives of the Convention on Biological Diversity (CBD) conflict with the World Trade Organisation's Trade Related Intellectual Property Rights (TRIPs) Agreement. The key issues are access and benefit sharing in relation to genetic resources, preservation and respect for traditional knowledge, conservation and sustainable use of biological resources, and technology transfer. A wide array of recommendations are included for international and national policy makers committed to a people-first implementation of the CBD.

Catherine Monagle, *Biodiversity & Intellectual Property Rights: Reviewing Intellectual Property Rights in the Light of the Convention on Biological Diversity*, CIEL and WWF International, Conches/Gland,

2001, 30pp. Contact: Delwyn Dupuis, WWF International, Ave du Mont-Blanc, 1196, Gland, Switzerland. Fax: (41-22) 364 8219. E-mail: ddupuis@wwfint.org Web: www.panda.org

Meanings of Sustainable Agriculture – Some Issues for the South is a joint publication from the United Nations Research Institute for Social Development and the South Centre. It provides an overview of the “*conceptual ambiguities and practical difficulties that must be faced by developing countries in attempting to approach ‘sustainable agriculture’*”. A number of issues are examined including an analysis of sustainable agriculture and development; with a section each on market liberalisation, the Agreement on Agriculture, the effects of privatisation and decentralisation, and the creation of social safety nets.

Solon Barraclough, 2000, *Meanings of Sustainable Agriculture – Some Issues for the South*, South Centre, South Perspectives, 114pp. Available in html and PDF from www.SouthCentre.org

In *Redesigning Life? The Worldwide Challenge to Genetic Engineering*, twenty-six internationally respected critics offer contributions on various aspects of genetic engineering, animal cloning and agricultural biotechnology. Authors examine the hidden hazards of the new genetic technologies and the worldwide resistance to them that had emerged in the last decade. Contributions are grouped in four sections: Our Health, Our Food and Environment; Medical Genetics, Science and Human Rights; Patents, Corporate Power and the Theft of Knowledge and Resources; and Worldwide Resistance to Genetic Engineering.

Brian Tokar (editor), *Redesigning Life? The Worldwide Challenge to Genetic Engineering*; Zed Books, London, 449 pp, ISBN 1 85649 834 4 (hardback), ISBN 1 85649 835 2 (paperback). Priced at US\$69.95 (hardback) and US\$25.00 (paper-back).



For orders: Mohammed Umar, Zed Books, 7 Cynthia Street, London N1 9JF, UK. Tel: (44-20) 7837 4014, Fax: (44-20) 7833 3960, E-mail: sales@zedbooks.demon.co.uk. Order forms for all Zed titles may be found at www.zedbooks.demon.co.uk/

Seed of Monopoly: The Impact of TRIPs Agreement on Nepal examines the implications of the World Trade Organisation's intellectual property rules (TRIPs) on a country that is about to enter its fold. Based on an international literature review and local interviews, this study summarises what TRIPs is about and how it will impact local farmers, consumers, food security and Nepal's enormous store of traditional knowledge related to biodiversity. It closes with a range of recommendations for action by government and non-government organisations in Nepal and South Asia.

Ratnakar Adhikari *et al* (2000), *Seed of Monopoly: The Impact of TRIPs Agreement on Nepal*, Forum for Protection of Public Interest and ActionAid Nepal, May 2000, 149 pp. Copies from: ActionAid Nepal, PO Box 6257, Lazimpat, Kathmandu, Nepal. E-mail: mail@actionaidnepal.org.

GENES ON THE NET

The WTOwatch.org website is a global information centre on trade and sustainable development. It is run by the US-based Institute of Agriculture and Trade Policy. Lots of up to date information on a whole range of topics, well-organised and easy to get around.

www.wtowatch.org

Public Citizen's Global Trade Watch is another good web site with plenty of information on the WTO, NAFTA, FTAA, NAFTA for Africa, etc

www.tradewatch.org

Public Citizen also hosts the NGO "Shrink or Sink" campaign to roll back the WTO agenda and change the current world trade system. By

the end of May, this had been signed by 364 organisations in 61 countries.

www.citizen.org/pctrade/gattwto/ShrinkSink/shrinksinkhome.html

The International South Group Network (ISGN) is a network of community-based organisations, people's movement and academic organizations in the South with 5 regional centers located in South Africa, Burkina Faso, Zimbabwe, Nicaragua and the Philippines. It works on promoting land reform and food security in the South, and analysing issues such as trade, debt, development, governance and the environment.

www.isgnweb.org

The Asia Pacific Research Network is a network of research NGOs which exchanges information on international issues, as well experiences, technologies, and methods in research. At present, the APRN has 27 member organisations from 14 countries.

www.aprnet.org

The Centre for Science and Environment's biodiversity campaign site provides glimpses of how trade pressure on biodiversity influences peoples' livelihoods in India.

www.oneworld.org/cse/html/cmp/cmp13.htm

The International Union for the Conservation of Nature, has a website on Trade and Biodiversity. According to IUCN, "In the context of the WTO, it is now critically important to develop and harmonise the trade policies and measures of the biodiversity conventions. Hence, biodiversity trade is a core policy component of biodiversity economics".

<http://biodiversityeconomics.org/trade.htm>

The Global BioDiversity Institute (GBDI) is one of the many agencies promoting bioprospecting, especially in Africa.

www.gbdi.org



SEEDLING

is the quarterly newsletter of Genetic Resources Action International (GRAIN), an international non-governmental organisation (NGO) based in Spain. GRAIN promotes the sustainable management and use of agricultural biodiversity based on people's control over genetic resources and local knowledge, with a special emphasis on developing countries. *Seedling* aims to provide a platform for the exchange of news and analysis among people engaged in these issues. We need your input. Please send us information about your activities: articles, campaign materials, research results, criticism and suggestions.

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GRAIN

Girona 25, pral, E-08010, Barcelona, Spain
Phone: (34-93) 301 13 81. Fax: (34-93) 301 16 27.
Email: grain@retemail.es Web: www.grain.org

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