



**United Nations  
Conference  
on Trade and  
Development**

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**INTERNATIONAL TRADE IN  
GENETICALLY MODIFIED ORGANISMS:  
TRENDS AND CAPACITY-BUILDING NEEDS**

**Parallel Event**

18 June 2004 – Summary prepared by the UNCTAD secretariat

1. The controversial subject of genetically modified organisms (GMOs) in international trade was examined at the final DITC parallel event of UNCTAD XI. The session provided the opportunity for an informed discussion of the key issues from the development perspective.
2. **Mr. Rubens Ricupero**, Secretary-General of UNCTAD, stressed that the debate about GMOs was one of the most vocal and passionate recent debates, where economic, technological, environmental, health and ethical concerns played key roles. Countries' positions on agro-biotechnology and the related legislation reflected the polarization of the debate.
3. International efforts were particularly needed in two areas. First, there might be a need for more capacity-building activities to support developing countries in dealing with agro-biotechnology and biosafety. Additional efforts might be needed to ensure that domestic biosafety schemes were developed in full consistency with multilateral trade rules. Second, efforts might be needed to set up a global strategy to deal with new phenomena in a more coherent and systematic manner. The rapid evolution of science and technology would inevitably lead to new scenarios that might be challenging for all countries, but particularly for developing countries. Both were fields where UNCTAD could make important contributions.
4. **Professor Calestous Juma**, Coordinator of the Millennium Development Goals Task Force on Science, Technology and Innovation and Director of the Science, Technology and Globalization Project of the John F. Kennedy School of Government at Harvard University, said that, while environmental and health aspects of agricultural biotechnology were important and required policy attention, the main sources of controversy lay in the socio-economic impacts of biotechnology, especially those related to trade. Resistance to new technologies was often associated with perceptions of inequities in trade. Resistance was highest where it was perceived that the negative impacts of new technologies would emerge in the short run and the benefits would be realized only in the long run. Debates regarding the safety of biotechnology were part of a long history of social discourse about

new products. Critics of new technologies had used instruments of mass communication to provide the public with information that was carefully designed to highlight the dangers these critics attributed to biotechnology. Advocates of new technologies, on the other hand, had often been forced to respond to charges against the technology and had only on rare occasions taken the initiative to reach out to the public. While advocates of biotechnology had often tried to rely on the need for scientific accuracy, critics used rhetorical methods that were designed to invoke public fear and cast doubt on the motives of the industry. He cited the opposition that some of the most widely accepted products, such as coffee, had faced in the past. The rapid adoption of coffee was accompanied by extensive opposition because of its impact on the prevailing social order as well as competition with existing beverages such as ale, wine and beer. Coffee finally found its place as a result of long periods of economic and social accommodation as well as the identification of new market niches. Like coffee, biotechnology faced long periods of social and economic opposition, and finding an appropriate place for it would require continuous institutional and policy adaptation.

5. Turning to specific legal issues, **Ms. Xueman Wang**, Legal and Policy Affairs Officer of the Secretariat of the Biosafety Protocol/CBD Convention, stressed that the Biosafety Protocol, in accordance with the precautionary approach, aimed at providing an adequate protection of biodiversity from potential adverse effects of living modified organisms (LMOs). The Protocol established a set of procedural and documentation requirements to allow Parties of import to make informed decisions regarding the imports of LMOs. Risk assessment was the basis for decision making, and risk management was the key instrument included in the Protocol to control any potential risks that LMOs might entail for the environment and/or human health. To ensure the effective implementation of the Protocol and address cases of non-compliance, a number of supporting mechanisms had been established, such as capacity-building programmes and a compliance committee. A Working Group on liability and redress had also been set up to further elaborate rules and procedures on possible damages resulting from transboundary movements of LMOs.

6. The Protocol had significant trade implications. The relationship between the Protocol and WTO rules had been one of the most critical issues during the negotiation of the Protocol. However, the best solution from an environmental and trade point of view would be to interpret and implement the Protocol and the relevant WTO agreements in a mutually supportive manner.

7. **Mr. Giovanni Ferraiolo**, Regional Coordinator for Latin America and the Caribbean of the UNEP-GEF Project on Biosafety, explained that the UNEP-GEF Projects on National Biosafety Frameworks (NBF) had originated as a result of UNEP's response to the GEF Initial Strategy in Biosafety that was approved in November 2000. The GEF Strategy's objective was to "assist countries to prepare for the entry into force of the Cartagena Protocol on Biosafety", and UNEP had so far been implementing this strategy through three different groups of projects on biosafety. First of all, a global development project was assisting 123 countries in developing their NBFs from the initial country status to an advanced draft NBF ready for government approval. Second, a number of demonstration projects were assisting eight countries in setting up a fully operational NBF. Finally, a last type of project had been approved as an add-on initiative to the Global Development Project and was aimed at building capacity for effective participation in the Biosafety Clearing House (BCH) by those developing countries that were Parties to the Cartagena Protocol. The UNEP-GEF Biosafety Unit was based in Geneva, and detailed information on all project activities could be found at [www.unep.ch/biosafety](http://www.unep.ch/biosafety).

8. **Mr. J.G.E França**, Director of the Research Department of EMBRAPA (Brazilian Agriculture Research Corporation), noted that, according to the data collected up to May 2004, agribusiness represented 43 per cent of all Brazil's exports. Considering that soybeans were a major cash crop, any factor that could affect international trade of this commodity would be of paramount importance for Brazil. Exports of cotton and corn were also on the rise, and those commodities were subject to

ongoing biotechnological applications being deployed by national and multinational companies in Brazil.

9. Genetically modified soybeans with tolerance to glyphosate were first approved by the National Biosafety Committee (CTNBio) for commercial use in 1998. However, legal action by the Consumer's Institute (IDEC) and Greenpeace had frozen the process for six years. Meanwhile, farmers had begun to use agro-biotechnology by bringing illegal seeds from neighboring countries. A draft biosafety law had been submitted to the Congress in 2003; however, there was still no consensus on it.

10. In 2003, Brazil became a Party to the Cartagena Protocol. The Protocol's implementation was in its infancy, and one hoped it would not create barriers to the transboundary movement of genetically modified commodities. Considering that many of the activities related to agro-biotechnology were new, there was an increasing need for capacity building and training among different groups of people, such as scientists, policy makers, managers, legal advisors, judges, surveillance inspectors and reporters. More than ever, well-trained international negotiators would be needed if Brazil were to continue increasing its competitiveness in international trade.

11. **Mr. César Morales**, Senior Economic Affairs Officer of ECLAC, noticed that GMO-related issues were of special relevance not only for Brazil but also for other Latin American and Caribbean countries. Those countries were home to a large share of the world's biodiversity, were the countries of origin of several agricultural products, and had great potential for the expansion of agricultural production. From a productive and social point of view, however, the region was characterized by profound imbalances and inequalities, among the most pronounced in the world.

12. Soya was among the most important agricultural products of the region: Argentina was the world's second largest producer of genetically modified soya, while Brazil was the largest producer and exporter of conventional soya. In Argentina the widespread adoption of transgenic soya had resulted mainly from the fact that genetically modified seeds were available in the market at low cost, since, unlike in many other countries, they were not protected by patents. Conversely, in Brazil soya cultivation was based mainly on conventional seeds developed by EMBRAPA. Conventional crop yields in Brazil tended to be higher than transgenic crop yields in Argentina.

13. Elements to consider when assessing the respective pros and cons of planting conventional and transgenic soya in the region included the impact on biodiversity; the origin of endemic species; the potential beneficiaries; market trends and consumer preferences; and producers' competitiveness, especially in light of the experiences of Argentina and Brazil. It seemed unlikely that producers in other countries of the region would be allowed to plant genetically modified seeds without paying royalties, as was the case for Argentina. Royalties had a critical impact on the overall feasibility of switching production to transgenic crops.

14. **Msgr. J. Reinert**, representing the Pontifical Council for Justice and Peace, stressed that the Holy See had always encouraged and supported UNCTAD in its assistance to developing countries. It enthusiastically supported advances in science aimed at helping all people to achieve a higher quality of life and use natural resources in a sustainable manner, as long as they fit within the moral and ethical norms of protecting and promoting life. The development of biotechnology fell within that realm, especially when it offered a means towards the eradication of poverty. However, the Holy See did not yet have the technological or scientific knowledge to untie all of the complexities surrounding biotechnology and GMOs and had not taken a position supporting or opposing the development and use of GMOs.

15. For the Holy See, the starting point was the recognition that the beneficiaries of new technological phenomena should primarily be people and not only markets and economies. Profit should not and

could not be the primary factor in decision making with regard to GMOs and biotechnology. This was the main reason for the need to establish laws, rules and regulations that governed trade and furthered the process of sustainable development.

16. During the short debate that followed the presentations, several of the issues raised by the speakers were further analysed and debated. The specific risks and opportunities related to the development of agro-biotechnology for Brazil in particular and for Latin America in general were discussed. One of the main concerns expressed by the participants was how to find the right balance between enjoying the potential benefits that genetically modified crops could bring about, especially in terms of increased yields, and complying with biosafety regulations and meeting consumers' expectations in the main markets of destination. Particular concern was expressed regarding acceptance of genetically modified crops in China, Brazil's main destination market for soya. A number of recent trade disputes between Brazil and China regarding agricultural commodities, both conventional and transgenic, were analysed. Questions were raised regarding specific and technical aspects of the Cartagena Protocol, and clarifications were sought regarding developments after the first meeting of the Parties held in Kuala Lumpur, Malaysia in February 2004. Another issue of concern seemed to be the interface between the obligations assumed by countries within the WTO and those deriving from the Cartagena Protocol. In order to avoid countries' finding themselves in breach of their multilaterally agreed obligations, several participants expressed the wish for the relevant international organizations to join forces and provide broad support to developing countries. This request reflected the assessment about technical cooperation needs made by Mr. Ricupero in his introductory remarks. In order to strengthen their understanding of the complex and diversified issues related to agro-biotechnology, participants also expressed their wish for a compilation of relevant publications on the different facets of the issue to be prepared and made available. The societal and ethical aspects of agro-biotechnology were also addressed during the debate.

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