

Sustainable trade

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CORPORATE SOCIAL RESPONSIBILITY

Belgium Launches World's First "Social Label" Law

From ILO Focus, spring 2003

A novel Belgian law tells consumers in that country whether the products they're buying have been made in accordance with basic worker rights, based on the decision of a panel.

Known as the "social label," the concept is similar to the Rugmark logo on Indian, Nepalese and Pakistani carpets certified to be made without child labor. Similar, that is, except that the new Belgian method is more comprehensive and has the force of law. Starting this spring, domestic and foreign companies selling products in Belgium will be able to apply for a social label certifying that the product has been made in accordance with the ILO's eight core conventions, which cover: freedom of association and the right to collective bargaining, abolition of forced labor, elimination of child labor, and equal opportunity and treatment in the workplace.

The social label law, adopted by the Belgian parliament in February 2002, is the world's first such legislation. Under the act, the government has established a 16- member committee comprising government officials, trade unionists, and representatives of business and consumer groups, to review applications and decide on use of the label. The committee is currently reviewing the first two applications.

In the meantime, the Belgian government unveiled the new logo on April 1. The winning design was chosen from among entries received from elementary school children as part of a national contest.

Obtaining a Social Label

"We're moving from a self-regulatory context, in which multinationals set their own rules, to a context in which regulation by the public authorities becomes possible," a member of the labeling committee told the ILO. Italy and Denmark are drafting similar laws, and the European Parliament could follow suit if the social

label proves successful in several member countries.

To be eligible to put the label on a product, a company must certify that the ILO's core conventions are respected all along its supply chain, and applications for the label must be co-signed by workers at the company. Companies must also agree to be inspected by an audit firm accredited by the Belgian government.

To prevent fraud, the social label law establishes penalties for any company that obtains a social label and is then found to be in violation of one or more ILO core conventions. Fines range as high as 2.5 million euros; plus company officials can face jail terms of up to five years.

http://images.ctsg.com/pdfs/ilo/focus_0304.pdf

Addressing The General And Reproductive Health Of Women In Global Supply Chains

By Business for Social Responsibility (2002)

Introduction

Women comprise a majority of the workforce in labor-intensive manufacturing industries such as apparel, footwear, toys, electronics, food processing and house-wares. They also work extensively in the informal sector, including in agriculture and handicrafts. The working environment in these industries can present health hazards to both male and female workers. Women employees, however, risk greater health consequences because they are often of childbearing age and are regarded with less social status than men, causing them to be less educated and more vulnerable. Consequently, they face unique needs in terms of health education, access and nutrition.

This report presents the findings of a project initiated by Business for Social Responsibility (BSR) with the support of the David and Lucile Packard Foundation to improve awareness of the reproductive and general health needs of women workers in the global supply chain.

This project presented a unique opportunity to support the promotion of women's health programs, including reproductive health issues. The project focused on health programs and practices in four countries – China, India, Indonesia and Mexico. Each of these four countries is a major exporter into the global manufacturing economy, with a large concentration of labor-intensive industries such as apparel, footwear and toys. These industries employ thousands of women workers, the majority in the age group of 16-30.

The women workers are often the first generation to work outside of their homes, and have

frequently migrated from rural areas to urban manufacturing centers in search of employment. They face new challenges associated with working in a factory environment with uneven health and safety conditions and also discrimination against women arising from cultural and religious norms in their societies. They are vulnerable to risks on both fronts, so programs designed to improve health must acknowledge these factors.

Available online at:

http://www.bsr.org/BSRResources/ResourcesDocs/WomensHealth_Report.pdf

Legal Issues In Corporate Citizenship

By Ward, H., International Institute for Environment and Development (IIED) (2003)

Executive Summary

This paper is aimed at public policy makers and businesses in the high income countries of the North. It aims to show how law shapes corporate social responsibility (CSR). In doing so, the paper addresses one of the basic dividing lines of the CSR agenda in Europe, North America and Australia – a line between people who argue that CSR should be limited to consideration of 'voluntary' business activities 'beyond compliance' with legal baselines, and those who argue for a broader starting point, based on an understanding of the total impacts of business in society. As the definitional debate rages, the legal baseline for CSR is itself changing.

Legal analysis has the potential to bring valuable insights to both public policy and business management. Failure to take account of the legal dimensions of corporate social responsibility substantially weakens the chances of making meaningful process in some of the most difficult 'boundary' areas about the proper balance between government, business and civil society roles and responsibilities.

Transparency and access to information on social and environmental aspects of company performance are central themes of the CSR agenda. Mandatory legislation on various aspects of business transparency is emerging around the world. It can form part of company law, environmental regulation, or tailored legislation for institutional investors or on social and environmental reporting. Pressure for enhanced public sector accountability has also given rise to calls for company reporting on revenues paid to host government by companies in the extractive industries.

Even voluntary approaches to CSR have a legal context. Laws on misrepresentation or false advertising frame voluntary company reporting,

for example. And voluntary approaches such as company codes of conduct can shape the standards of care that are legally expected of businesses.

In the workplace, agreements reached through collective bargaining between employers and trade unions can become legally binding through incorporation in employment contracts.

The relationship between voluntary and mandatory approaches is evolving in innovative ways - with broader implications for global governance in an era of economic globalisation. The new Kimberley Process Certification Scheme addresses the problem of 'conflict diamonds.' It links an intergovernmentally agreed framework of national controls on trade in rough diamonds to industry self-regulation through a system of warranties and 'conflict free' guarantees on invoices for rough diamond sales.

Litigation is also bringing new light to the CSR agenda. A new wave of legal actions - mostly in US courts, but also in some EU countries - is testing the boundaries of existing legal principles in relation to some of the most difficult issues of the CSR agenda. For example, a series of cases in the US, France and Belgium are testing how fundamental principles of international law - particularly human rights law - apply to parent companies of multinational corporate groups.

Many of these cases are closely associated with campaigns against companies that invest in countries associated with abusive regimes. A related set of actions has been brought against parent companies in their home territories, testing the circumstances under which they can be held liable to pay compensation to people harmed by their operations in other countries. Many of the cases present courts with delicate issues about the potential for judges to interfere with domestic foreign policy, or the legitimate policy choices of governments in other countries. These 'foreign direct liability' claims are not the only examples of litigation at the frontiers of corporate social responsibility. One action in the US has tested the liabilities of retailers in respect of abuses of labour rights elsewhere in the supply chain - potentially reducing the scope for companies to 'contract out' the risky operations that might be targeted through foreign direct liability cases. And a legal action in California against sports goods giant Nike is testing whether the US First Amendment on freedom of speech protects companies from litigation over factual statements that they make in response to criticism from non-governmental organisations (NGOs).

The implications for the future of company social and environmental reporting, as well as the development of verification and assurance standards, are significant.

Legal actions such as the so-called 'McLibel' litigation, or more recently Nestlé's litigation against the government of Ethiopia, offer examples of a different intersection between litigation and CSR; when litigation proves reputationally unwise. Breaches of minimum legal requirements can also place companies' reputations as good corporate citizens on the line. For example, action against a cartel that had fixed prices of vitamins around the world drew attention to the CSR implications of basic principles of fair dealing. CSR also has an international trade law dimension. Voluntary labelling and certification schemes developed in European countries have more than once generated discussion in the World Trade Organization over potential negative impacts on market access as well as WTO-compatibility - an area of considerable legal uncertainty. Companies and public policy makers can play important roles in reducing trade tensions by working to shape a CSR agenda that is more sensitive to, and inclusive of, developing country stakeholder needs and interests.

For companies, the connections between law and CSR raise some fundamental management challenges. One clear message concerns the need for businesses to integrate legal risk management with reputational risk management. That means that lawyers will need to become more involved at the same time as learning from the culture of transparency and partnership that informs CSR. It means 'joining up' strategies for day-to-day CSR communication with strategies for communicating about litigation and responding to 'bad practice.' And integration between lawyers and CSR professionals is also critical to giving meaning in concrete cases to 'best practice' (rather than corporate restructuring) as a response to the emerging legal risks of foreign direct liability.

On the public policy side, the legal dimensions of CSR point to a need to revisit the institutional settings of CSR. Litigation has raised important public policy questions that have not been adequately addressed elsewhere. A global public policy dialogue could deliver integrated solutions - beyond the false 'legal versus voluntary' divide - to some of the most difficult outstanding CSR issues. A key challenge is to ensure better integration between national and international policy agendas on good public governance, corporate social responsibility and corporate accountability.

Some tough policy discussions almost certainly lie ahead. For example, the frontier CSR litigation raises substantial question marks over the social and environmental efficiency of limited liability as a mechanism for allocating risk. And the agenda on environmental and social reporting leads

naturally to the potential for a future debate on the role of a right of public access to information held by companies.

However challenging the implications, it is increasingly clear that law and litigation are an important part of the CSR toolkit around the world. It is high time to get beyond the tired dogma of 'voluntary versus mandatory' to look at the real challenges of ensuring that economic globalisation is coupled with good environmental and social performance on the part of businesses around the world.

Available online at:

http://www.iied.org/docs/cred/legalissues_corporate.pdf

Company-Community Forestry Partnerships: From Raw Deals To Mutual Gains?

By James Mayers and Sonja Vermeulen, IIED 2002.

Partnerships for development are spreading like wildfire - at least in rhetoric. This report examines a set of partnerships in forestry - those between companies and communities - to see whether there is any substance beyond the hype. Some 57 examples in 23 countries are reviewed - from informal arrangements and social responsibility efforts to outgrower schemes and joint ventures. Few long-lived partnerships are found but both numbers and experience of partnerships are growing. Whilst some so-called partnerships are thinly veiled rip-offs or bald attempts to spruce up company image, others have produced significant returns to both local livelihoods and company profits. The report draws out lessons from experience - and attempts a set of principles, success factors and next steps for developing partnerships that deliver better returns to both sides. These steps centre on getting governance frameworks right, developing brokering roles and raising the equity stakes and bargaining power of communities.

For further information, see:

http://www.iied.org/psf/publications_def.html#partnerships.

Diamonds, Forever Or For Good ? : The Economic Impact Of Diamonds In South Africa

By Hazleton R, Partnership Africa Canada (PAC) (2002)

South Africa, Botswana and Namibia have been at the forefront of the campaign to halt conflict

diamonds and to create a certification system which would assist in this. They, along with the diamond industry, have also been the most vocal champions of 'prosperity diamonds' and 'diamonds for development'. NGOs focusing on conflict diamonds have been accused of neglecting this side of the coin and of endangering the entire diamond industry. Partnership Africa Canada and other NGOs concerned about conflict diamonds, however, have avoided any talk of a diamond boycott, precisely because they understand that many jobs, and even entire national economies, are diamond-dependent.

This study was undertaken in part to redress the balance, and in part to investigate the extent to which the positive claims for diamonds could be verified. It deals with the economic impact of diamonds. It does not deal with environmental issues or conflict diamonds in the region, which are the subjects of other studies.

The report, written by Ralph Hazleton, was researched over several visits to Southern Africa. The author would like to thank the many individuals in the governments of South Africa, Botswana and Namibia for their help. Invaluable assistance was also provided by De Beers, the National Union of Mineworkers and many other companies, research institutions, NGOs, individuals and departments too numerous to mention. The report and its conclusions, however, are those of the author alone.

Available online at:

http://action.web.ca/home/pac/attach/diamonds_3_e.pdf

INTERNATIONAL TRADE SYSTEM

The International Trade Regime: A Global Public Goods Perspective

By Matteo Rizzolli. University of Maastricht, Faculty of Economics. December 2002.

The international trade regime is experiencing a crisis of legitimacy because it failed to deliver the efficiency gains of open trade in a just and equitable manner. However, compared to other international regimes, the multilateral trade system is already an advanced framework that fosters cooperation among countries. A Global Public Goods perspective casts new light on the way the regime can be further adjusted and turned into a solid architecture capable of delivering important emerging global public goods such as global market efficiency, global political stability and global equity.

To access the thesis, visit

<http://space.virgilio.it/matnet@tin.it/GPGs.htm> or contact the author at matnet@tin.it, tel: (+39) 333 783-5829.

Developing Country Proposals On Modalities For Further Reform In Agriculture

By Luisa Bernal, February 2003

Introduction

Agriculture negotiations have reached a critical juncture since modalities for further reform must be established by 31 March 2003. Although agriculture negotiations started in the year 2000 under the so called built-in agenda, they became part and parcel of the broader round of negotiations launched by the IV Ministerial Conference of the World Trade Organisation (WTO) in November 2001.

Developing countries have extensively participated in the current negotiations, providing technical inputs and comprehensive proposals for reform throughout the negotiation process. For most of them, agriculture negotiations are indeed the most critical area of the so-called Doha 'Development' Round.

The concerns of many developing countries in the current negotiations could be approached from two different angles. On the one hand, there is a keen interest in addressing the distortions in the agricultural markets through disciplining the high levels of support and export subsidisation provided by developed countries. On the other hand, and in particular, considering that the first objective is not achieved, provide for reasonable flexibility to protect their own agricultural sectors and livelihoods from unfair competition and guarantee food security.

To achieve the objectives of the World Food Summit of reducing by half the number of undernourished people in the world by 2015 would critically depend on the rural and agricultural development of the developing world, where 777 million of undernourished people live, and depend on agriculture for subsistence income and meet their basic food requirements.

The experience with trade liberalisation in the agricultural sector for many developing countries has run counter to those objectives: food production has diminished, food import dependence has increased while foreign exchange earnings have stagnated, and the overall food security situation of millions of small farmers has deteriorated. To address these concerns in a revised Agreement on Agriculture (AoA) is an urgent need. And to do this effectively the current structure of the agreement must be changed in a way that is responsive to the developing country needs.

The present report identifies key proposals presented by developing countries in the modalities phase of the negotiations which respond to these very concrete and real concerns. It aims at clarifying the main features and objectives of those proposals.

For further information, see:

<http://www.cafod.org.uk/policy/proposals2003.shtml>.

WATER

Busting the Water Cartel

A Report From Inside the Activist Coalition at the World Water Forum

By Holly Wren Spaulding Special to CorpWatch - March 27, 2003

Kyoto - The conveners of the third World Water Forum, the World Water Council and Global Water Partnership, tried hard last week to sell the idea that there is a consensus behind their control, distribution and conservation of the world's water. But efforts to turn the Forum into a thinly veiled commercial for corporate solutions to the global water crisis backfired. Instead, many delegates were convinced by arguments put forward citizens' groups framing the water debate as a human rights issue.

The third meeting of the World Water Forum (WWF), held from March 16th to 22nd in Kyoto, Japan, comes at a time when there is growing alarm over the scarcity of water worldwide -- a crisis that is only expected to get worse. It also comes as there are fierce battles being fought over who should control this precious resource. One vision, put forward by major corporations trying to make a buck on water services, and their governmental allies, is that water is a valuable commodity to be controlled by the market. The other, sees water as a basic human and environmental right, to be protected by communities and people around the globe.

The Water Barons Control the Show, or Do They?
The schmooze fest between high-ranking government ministers from around the world, and the emerging water cartel including industry giants such as Suez and Vivendi of France, and the German-British conglomerate RWE-Thames, was also a preview of what to expect at the upcoming WTO summit in Cancun, Mexico this September. However, the Water Forum's primary goal was to promote the privatization of water resources, especially by endorsing public-private partnerships in both the north and the south.

The aggressive corporate campaign for control of the world's water has activists concerned. The World Water Forum is "greenwashing, poor washing, and hope dashing," noted Anuradha Mittal of Food First, an Oakland, California-based policy group. Mittal and other activists were appalled by workshops like "How Will the Poor Become Customers?"

Mittal was part of a broad coalition of over 30 organizations from some 27 different countries which came together to challenge the drumbeat towards privatization at the World Water Forum. Summit organizers like to portray the WWF as an international body with a mandate to protect water resources. But human rights advocates charge that it is really an exclusive club accountable only to the demands of the market.

With room for dialogue blocked by the Forum process, activists decided to speak out at a panel of top executives from the leading water companies. The grand stage had been prepared with bamboo arrangements and massive video screens for the corporate presentation, but the twenty men on stage received a different kind of attention than the enthusiastic response they expected.

Grassroots activists took control of the discussion from the floor. Apart from telling the "suits" to go to hell, speakers told story after story of the daily crises caused by water privatization in their countries. Among them was Briggs Mokolo of South Africa who is fighting to defend poor families whose water is cut off by private service providers. A Mexican activist from Cancun brought a plastic bottle of brackish tap water, which was dark brown and smelled of gasoline, to pass around the panel for inspection.

Meanwhile, Indigenous rights activists questioned the premise of treating water as a profit-making commodity. For example, Tom Goldtooth, of the Indigenous Environmental Network said it is up communities around the world to safeguard water resources for future generations. As one native woman put it, "I am the Colombia River."

For every power point presentation on the success of a corporate water concession, there were those at the World Water Forum, like Maria Selva Ortiz from Uruguay, who gave testimony on the impacts such contracts have on people on the ground. In fact, says Ortiz "very often civil society has to rise up and revolt, " as has been the experience of rural and urban communities in Cochabamba, Bolivia.

Among the strategies used by corporations in the global water grab, is to seize control of groundwater. According to Ian Johnson of the World Bank, groundwater mining has "very low or zero social costs in terms of exploitation." What Johnson didn't know was that that five members of the audience from were US-Canadian Great

Lakes region where pitched battles are being waged over groundwater. Representing communities fighting Nestlé's water bottling operations, they brought up the social and environmental costs that Johnson so sweepingly dismissed.

A Tsunami of Opposition

The corporate agenda became more explicit as the weeklong summit progressed, catalyzing opposition around report entitled "Financing Water For All." Chaired by Michel Camdessus, former Managing Director of the International Monetary Fund, this document spurred what turned out to be one of the most heated confrontations of the week.

Trade unionists, members of International Rivers Network, and the Indigenous Network, joined other grassroots activists and policy advocates to operate homemade "Lie Meters" throughout Camdessus' presentation of the report. These make shift meters indicated the level of deceit on a color-coded scale, with red being the highest alert. Others held up large painted clouds with the words "Agua es Vida" (Water is Life) and "El Agua es del Pueblo" (Water Belongs to the People) blazoned on them. Speaking from the floor, Bolivian Human Rights activist Pablo Solon rejected the report's recommendations.

"We are not against this paragraph or that paragraph of the Camdessus Report. We are against the heart of the Camdessus Report, because the heart of the report is that it does not have a heart," Solon charged. He pointed out that water privatization policies, like the ones advocated by the Camdessus Report, have led to riots and even deaths in Bolivia.

"You are not happy with taking us to war over oil. You want to take us to war over water too," observed an Argentinian trade unionist. Noted Indian scholar and activist Vandana Shiva drew applause when she pointed out that "People do not drink money, we drink water." Shortly thereafter, two large banners appeared on stage, one reading "World Water Council Mafia" and the other, "No Profits from Water." On cue, about 100 civil society participants walked out by way of the stage, blocking the presenters behind their expansive desks.

They passed Expo Center with banners, chants and "Water is Life" headbands finally meeting up with a larger march outside organized by Japanese activists.

In one final act of resistance, Canadian water activists and policy analysts Tony Clark and Maude Barlow were among a group of campaigners who crashed the "members only" meeting held by the World Water Council. They announced that more than two hundred organizations had signed on to the Water is Life

Alternative Vision Statement. The statement is meant to counter the World Water Forum's vision of water as a commodity and source of profits. Meanwhile, in the days following the World Water Forum grassroots activists have returned to their local struggles from El Salvador to Ghana, Detroit and New Zealand, from Tanzania, Nicaragua and India to the Netherlands. They vowed to continue developing alternatives to the models offered by the Water Barons. As Vandana Shiva noted, "For every really terrible thing they give us, we must come up with something really beautiful."

Holly Wren Spaulding is a member of the Sweetwater Alliance, a group fighting a Nestle water bottling operation in Michigan.

Water Divides, But Can It Unite?

*By Ana Ruth Jerolimski – Tierramérica
Jerusalem, Apr 23 (IPS)*

The government of Ariel Sharon persists in its endeavour to build a wall separating Israel from the Palestinian territories, breathing new life into the discord surrounding an essential natural resource: water.

Begun in 2002, the wall is an extensive barrier made of brick and electrified wire, supplemented with patrol routes, ostensibly intended to ensure greater security for Israel from attacks by radical Palestinian groups.

But Palestinian sources say the wall is much more than that. The best farmland and water sources are on the Israeli side of the wall, they say, which in its first phase is being constructed in the northern part of the West Bank.

"In West Bank towns like Tulkarem and Jenin families were left with land on one side of the wall and water on the other," Taher Nasser al-Din, director of the West Bank Water Department, told Tierramérica.

According to local officials, some 8,000 residents of another West Bank town, Qalkilya, had to abandon their homes and search for new lands due to lack of access to water.

But Uri Shor, spokesman for the Israeli Water Commission said in a conversation with Tierramérica that the wall is only a response to the need for security. He assured that the water pipes can pass from either side, so that the wall does not have to change a thing. Water has proved to be a symbolic element of what separates the Israelis and Palestinians,

whose ongoing conflict has been intensified since 2000, with the beginning of the second Intifada (Palestinian uprising), triggered in part by Sharon's controversial visit to an Islamic holy site.

Because of its scarcity in the Middle East, water is precious to the peoples living in the region and has often been the motive of political tensions.

But there are those who believe that with rational management, water could also contribute to unity.

For now, the only thing clear to Israel and to the Palestinian National Authority is that water reserves are insufficient and the problem will only worsen until a broad programme for water desalination is implemented.

Nearly a fifth of the Palestinian population of four million does not have access to household water services. In some areas, like the northern West Bank city of Jenin, residents complain that they go days without water, the pipelines are dry, even though they are included in the water service network.

Under the 1993 Oslo Peace Accords, Israel must provide 70 to 80 million cubic meters of water annually to the Palestinian population for immediate necessities, Nabil Al-Sharif, director of the Palestinian Water Authority, told Tierramérica.

"The situation is better than in 1995. Today we have more water. But Israel has not been totally compliant because they should authorize us to dig more wells," he said.

But Uri Shor says Israel has adhered strictly to the quantities agreed in the Oslo Accords, and has even distributed more than the quota to the Palestinians.

Of the 2.5 million Palestinians living in the West Bank, some 160,000 to 200,000 do not have household potable water services and are supplied by water tanks, according to Palestinian sources.

Meanwhile the 6.7 million Israelis consume at least three times as much water as the Palestinians.

"If one takes into account the water consumed by industry, in Israel water usage per person reaches 128 cubic meters, or 350 litres per person per day. Five times more than Palestinian water usage per person," reports Betsalem, an Israeli human rights organization.

But it is when the two sides begin to explain this phenomenon that the discrepancies come to the fore.

The Palestinians say that the different levels of water consumption are the result of a discriminatory Israeli policy, especially when it comes to supplying the Jewish settlements in Palestinian territories and providing for the Arab villages and homes in the same areas.

Israel responds that the problem lies in the lack of an appropriate Palestinian water management plan.

Although shortages and poor quality of water are common throughout the Palestinian territories, the tensions with Israel run highest in the West Bank.

The region's two main reservoirs are located there. One is an aquifer that extends from Mount Carmel in the north to Bersheeva in the south, and to the Dead Sea in the east, encompassing the West Bank.

That source is what supplies a quarter of Israeli consumption, of the Jewish settlements and nearly all the Palestinian population.

The second major source is the upper Jordan River and its tributaries, providing water for nearly a third of Israel's consumption, as well as providing for Jordan, Syria and Lebanon. The Palestinians do not receive any water from that source, as Israel claims it is already being shared with Jordan, points out West Bank water official Al-Din.

More than 60 percent of domestic water consumption in the West Bank is supplied by Mekorot, an Israeli national enterprise. The rest is managed by the Palestinian municipal authorities. In the Gaza Strip, Mekorot provides just six percent of household water supplies. Meanwhile, Palestinian agriculture relies exclusively on local wells and rivers.

"In the West Bank, no Palestinian can say that he or she is receiving less water than last year or than before the Oslo Accords. They are receiving more. The system is working at full capacity," Mekorot director Amos Epshtein told *Tierramérica*.

Over the course of the clashes since the Intifada began, the Israeli army damaged wells in Gaza and the West Bank, according to Palestinian sources.

"I have signed a protocol with the Israeli water commissioner (Simon Tal) to keep water out of the conflict because it is a daily necessity. Israel

has begun to abide by it," said Al-Sharif, the Palestinian Authority's water official.

Water management and distribution in the Palestinian areas will be shifted to five public, non-profit entities, run by a private international company chosen through a bidding process, he said.

These entities will be in charge of extracting and distributing the water, as well as managing the network. Their work will begin in Gaza.

However, the technicians seem to be more pleased than the politicians about the solutions to the water problem.

"Water is a central issue for peace, and if the politicians resolve the political problems, I have no doubts that the water problem will be resolved," commented Al-Sharif.

Epshtein expressed similarly cautious optimism: "The solution lies in working together and in finding a shared formula." Otherwise, both sides will be stuck in the same bad situation, he warned.

INTELLECTUAL PROPERTY

US Farmers Fear Export Losses From Biotech Wheat

From Bridges Weekly

A recent study -- conducted by Iowa State University professor Robert Wisner -- that states that the introduction of Monsanto's Roundup Ready wheat might lead to a 30 to 50 percent drop in wheat exports from the US, has led farmers' organizations and land conservation groups to ask the US Department of Agriculture (USDA) to place a moratorium on the biotech wheat.

Meanwhile, Swiss-based agribusiness group Syngenta has applied to start a trial of genetically modified (GM) wheat in Germany.

Farmers' groups file petition against biotech wheat

On behalf of several farmers' and land conservation groups as well as state officials from Montana and North Dakota, the Center for Food Safety filed a petition to the USDA asking it to withhold the approval of Monsanto's biotech wheat, genetically modified to tolerate the herbicide Roundup, until a better understanding of possible environmental and economic risks has been gained. The groups' demand is based on a report by Robert Wisner, who found that prices of

hard spring wheat could drop by 33 to 52 percent if Monsanto's herbicide resistant GM variety of spring wheat was introduced.

"I'm as interested in technological innovation as any farmer, but I also need to protect the value of my crop," said Tom Wiley, a North Dakota wheat farmer. "We need an economic impact statement so that we can make sure we're not stepping over dollars to get dimes. Simplified weed control isn't worth losing our valuable export markets," he added.

Farmers are concerned that some countries would not allow importation of the GM wheat and that consumers would not buy GM wheat products. Biotech wheat is different from biotech corn or soybeans in the sense that it is primarily used for human food, whereas corn and soy are used for animal feed and

additives. Products such as bread, cereals and pasta produced with GM wheat would be labelled as containing GM ingredients because the protein cannot be processed out. Furthermore, wheat farmers are more dependent on exports than corn or soy farmers are, as nearly half of the production goes to Europe and Japan where the stringency of biotech regulations and consumer concerns have been growing over the last years.

The GM wheat is currently under review by US and Canada and could be approved for commercialisation within two years. Monsanto, however, has pledged that even if the wheat were approved, it would not sell it unless at least the EU and Japan had accepted it. The USDA noted last week that it might impose strict requirements on Monsanto to ensure that it was abiding by its promise. These could include requirements for Monsanto to submit to independent audits "from the top all the way down" to ensure no biotech wheat was being sold, according to David Shipman, deputy administrator for the USDA's Federal Grain Inspection Service. In addition, Monsanto might be asked to sign a statement before every marketing year, committing to not commercialise GM wheat, and the company would need to provide the information necessary for USDA to conduct DNA testing. USDA thereby wants to ensure that the USDA-approved statement saying no biotech wheat is commercialised in the US, which currently accompanies wheat exports, remains correct and credible.

Meanwhile in Europe...

The Swiss agribusiness group Syngenta has requested permission to start trials and plant a test area of 400 square meters in Germany with GM wheat resistant to the fungus fusarium (scab). Tests have already been carried out in Australia, the US and Canada and Syngenta is now seeking

to test whether the GM crop can also adapt to farming conditions in Germany. The request for a trial area was sent to the Robert Koch scientific institute and it might take a few weeks before a decision will be made. According to press sources, the release of the GM crop has been preliminary set for 2007. The president of the North Dakota Grain Growers, Bruce Freitag, stated that there was more interest in a wheat that is resistant to the scab fungus than in a GM wheat resistant to herbicides, such as the variety developed by Monsanto, as producers have great difficulties in controlling the fungus and experience great economic losses.

SUSTAINABLE DEVELOPMENT

SC.net – UNEP's Platform on Sustainable Consumption

UNEP has launched a Sustainable Consumption website with information on its follow-up of the Johannesburg decisions on sustainable consumption and production, its Advertising and Communication Forum, the Life-Cycle Initiative, the UN Guidelines on Consumer Protection survey, the joint UNEP/UNESCO youth and sustainable consumption and lifestyles project and product and service design. Most documents and meeting reports are directly downloadable. Through "SC.net," UNEP and a wide variety of contributors exchange information on the global activities on Sustainable Consumption on a monthly informal basis. For more information, contact: Bas de Leeuw, Coordinator of UNEP's Sustainable Consumption activities; tel: +33-14-437-3009; e-mail: <mailto:sc@unep.fr>

The World of Organic Agriculture Statistics and Future Prospects 2003

By Minou Youssefi and Helga Willer (Eds.)

Introduction

In 1999, BioFach/Oekowelt GmbH commissioned Stiftung Oekologie & Landbau (SOEL, Foundation Ecology & Agriculture) to compile statistical data and general information on organic agriculture world-wide. For this edition the Research Institute of Organic Agriculture (FiBL) and the International Federation of Organic Agriculture Movements (IFOAM), also collaborated in this project.

For the fifth edition, February 2003, the reports were revised and the statistical material was updated.

The main findings of this compilation can be summarised as followed:

- Organic agriculture is practised in almost all countries of the world, and its share of agricultural land and farms is growing. The total organically managed area is more than 22 million hectares world-wide. In addition, the area of certified "wild harvested plants" is at least a further 10.7 million hectares, according to various certification bodies.

- The market for organic products is growing, not only in Europe and North America (which are the major markets) but also in many other countries, including many developing countries.

- Official interest in organic agriculture is emerging in many countries.

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