

Greenpeace International Explanatory Documents on the Biosafety Liability and Redress Negotiations

Preparation for the
Fourth meeting of the *Ad Hoc* Open-ended Working Group of Legal and Technical Experts on Liability and Redress in the
context of the Cartagena Protocol

Analysis and Summary Table: Explanation and Reconciliation of Annexes I and II, Recommendations and Suggested Text

This table is offered to assist delegates for the fourth meeting in October,¹ to help delegates to find relevant text in the Annexes, to view proposed solutions and texts, and to reconcile the Annexes with the Greenpeace draft Protocol.² The table is based on Annex I, the blueprint in the report of the third meeting³ and Annex II, the synthesis of proposed operational texts, released in September,ⁱ which followed Annex II to the Third Meeting Report and which includes suggested operational text submitted in July. It lists the issues and options listed in the Annexes, the chapter and page on which they appear, the Greenpeace recommendation on that issue, the reference to the suggested text proposed or recommended by Greenpeace with respect to that issue, with the actual text included in the end note, the corresponding Article in the Greenpeace draft Protocol, and a brief explanation.

ⁱ *Synthesis of proposed Operational texts on approaches and options identified pertaining to liability and redress in the context of Article 27 of the Biosafety Protocol*, Annex II to UNEP/CBD/BS/WG-L&R/4/2, 13 September 2007.

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Annex I: Options under the ‘Blueprint’

Annex I to the Blueprint⁴ listed some options

Issue	Options	Chapter/ Page	Recommendation	Suggested Text	GP Protocol	Explanation
State liability	<p>1. Development of international rules and procedures (legally binding and/or non-legally binding)</p> <p>2. No rules and procedures</p>	<p>I. Blueprint</p> <p>II. Chap. V.A/p. 52</p>	<p>1. Development of legally binding international rules and procedures.</p> <p>2. Residual State liability in combination with the primary liability of the operator.⁵</p> <p><i>Option 1: Residual State liability in combination with primary liability of operator. (or variation of that)</i></p>			<p>Legally binding regime needed to provide certainty and clarity.</p> <p>If primary liability fails, e.g. exporter can't pay, the state of the national bears responsibility.</p> <p>Where the Fund payments are insufficient (e.g. for cleanup) the exporting State pays the residual amount</p> <p>ILC Draft Principles Principle 4.5.</p>
Civil liability	<p>1. Development of international rules & procedures (legally binding and / or not legally binding)</p> <p>2. Development of international guidance for national rules and procedures.</p> <p>3. Combination</p> <p>4. No rules and procedures</p>	<p>I. Blueprint</p> <p>II. Chap. IV/ p.29.</p>	<p>1. Development of legally binding international rules and procedures.</p>			<p>Binding rules and procedures are essential to ensure that compensation redress is forthcoming. Otherwise there is no incentive for operators. A scheme involving civil liability, financial guarantees and a fund is needed to ensure that victims are compensated and damage is prevented and/or remedied.</p> <p>See ILC Draft Principles Principle 3 and 4.</p>

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Issue	Options	Chapter/ Page	Recommendation	Suggested Text	GP Protocol	Explanation
Administrative Approach	1. Development of international rules and procedures (legally binding and/or non-legally binding) 2. Development of international guidance for national rules and procedures 3. Combination 4. No rules and procedures	I. Blueprint II. Chapter IV/p. 4				Administrative approaches are most suitable for redress, especially prevention, cleanup and remediation.

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Annex II

Analysis and summary of proposed operational texts on approaches and options identified pertaining to liability and redress in the context of article 27 of the Biosafety Protocol

Issue	Heading	Page	Recommendation	Suggested Text	GP Protocol	Explanation
I. Possible approaches to liability and redress	A. State responsibility (for internationally wrongful acts, including breach of obligations of the Protocol).	p. 3	The Protocol does not affect the rights and obligations under the law of State Responsibility.	Operational Text 7 ⁶	Art. 49	The Protocol should not affect general international law on State responsibility.
	B. State liability (for acts that are not prohibited by international law, including cases where a State Party is in full compliance with its obligations of the Protocol).	p. 4	Residual State liability in combination with primary liability of operator.	See Chapter V below		
	C. Civil liability (harmonization of rules and procedures).	p. 4	A regime containing binding rules on liability and redress.			Harmonization of national rules and procedures is no substitute for a liability and redress regime.
	D. Administrative approaches based on allocation of costs of response measures and	p.4	Administrative measures to ensure prevention, cleanup and remediation provide the redress			

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	restoration measure.		part of the instrument.			
II. Scope	A. Functional scope.	P. 5	Broad functional scope.	Operational Text 14 ⁷	Art. 3	The scope should be broad, and apply to transport, transit, handling and/or use of LMOs resulting from transboundary movements of LMOs. It should include both unintentional and illegal transboundary movements of LMOs.
	B. Geographical scope.	p. 7	Broad geographical scope required.	Operational Text 2 ⁸	Art. 3.1	All damage stemming from the transboundary movement should be covered, including damage to areas beyond national jurisdiction such as the high seas.
	C. Limitation in time.	p. 10		Operational Text 1 ⁹	Art. 3.5	The instrument should not cover past situations which have ceased to exist: ref Vienna Convention on the Law of Treaties Art. 28.
	D. Limitation to the authorization at the time of the import of the LMOs.	p. 11	There should be no requirement as to authorized use.	Operational text 5 ¹⁰	None	The polluter-pays principle requires that all damage is compensated and/or remedied. The exporter takes the risk of the transboundary movement of the LMO; it should not be able to avoid that liability by claiming a different use of the LMO.
	E. Determination of the point of the import and export of the LMOs.	p. 11	The instrument needs to carefully define the point of import or export for the purposes of liability.	Operational Text 1 ¹¹	Art 3.	For transport: loading on the means of transport. This should be the starting point. If the LMO is exported by a non-contracting Party, the starting point should be where the importer takes

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						control. For other movement e.g. unintentional movement, the starting point should be when the LMO leaves the territory.
	F. Non-parties	p. 13	The instrument needs to address the situation where an LMO is exported from a non-Party.	Operational Text 5 ¹²	Art. 3.2(b)	The Fund should be able to cover damage from LMOs exported from non-Parties.
III. Damage	A. Definition of damage	p. 14	A broad and clear definition of damage is required.	Operational Text 13 ¹³ Additional definitions submitted by Greenpeace in July 2007: 1. 'Environment' includes all natural resources, including (i) air, water, soil, fauna and flora, and the interaction between the same factors, (ii) ecosystems and their constituent parts, (iii) biological diversity, (iv) amenity values, (v) indigenous or cultural heritage, and (vi) social, economic, aesthetic, and cultural conditions which are affected by the matters stated in paragraphs (i)	Art. 2	The definition of 'damage' must be broad enough to cover any kind of damage that can be caused by LMOs. For definition of damage, reference can be made to the Lugano Convention. Consistently with the polluter-pays principle, damage must include reinstatement, remediation, impairment, and preventive measures, as well as damage to private property, economic losses and injury or disease. It needs to be clear that socio-economic damage to local and indigenous communities is covered, following article 24 of the Protocol.

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				<p>to (v) of this definition.</p> <p>2. "Biological diversity" means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.</p> <p>3. "Ecosystem" means a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit.</p> <p>4. A "center of origin" means a geographical area where a species first developed its distinctive properties.</p> <p>5. A "centre of diversity" means a geographic area</p>		

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				containing a high level of genetic diversity for species in <i>in situ</i> conditions.		
	A bis. Damage to conservation and sustainable use of biological diversity or its components.	p. 21	Need to ensure that damage to biodiversity, to components of biodiversity, and to ecosystems are all covered.		Art. 2.	Note that biological diversity is defined in terms of variability. Components and ecosystems need to be included. The CBD defines “Biological diversity” to mean the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.
	B. Valuation of damage to conservation of biological diversity/environment.	p.22	There needs to be a broad and clear definition of the valuation of damage, taking into account the costs of remediation, reinstatement, etc.	Operational Text 1 ¹⁴	Art. 2.4(v)	Minor changes between OT 1 and Art. 2.4(v).
	C. Special measures in case of damage to centres of origin and centres of genetic diversity to be determined.	p. 24	Whether special provision needs to be made to centres of origin and centres of genetic diversity.	Operational Text 1 ¹⁵	None	The instrument must cover damage to centres of origin and centres of genetic diversity. It may be useful to make specific provision. A definition may need to be added.

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	D. Valuation of damage to sustainable use of biological diversity, human health, socio-economic damage and traditional damage.	p. 24	How to value socio-economic damage, traditional damage, human health etc.	Operational Text 2 ¹⁶	Art.2.4(i), 2.4(iv)	It needs to be clear that socio-economic damage to local and indigenous communities is covered, following article 24 of the Protocol. See also under III. Definition of damage. The Greenpeace Protocol does include definitions but there are useful definitions in OT 3.
	E. Causation.	p. 25	Difficulties of proving causation	Operational Text 11 ¹⁷	Article 2.5, 2.11,9.2	The precautionary principle means that the burden of proving causation should be reversed. Where there are multiple possible causes or a combination of causes, it may be very difficult to prove the damage was caused by the LMO. This is best addressed by reversal of the burden of proof.
IV. Civil Liability: Primary Compensation Scheme	1. Possible factors to determine the standard of liability and the identification of the liable person.	p.29.	Should be strict liability and joint and several liability.		Arts 4, 5.	The focus must be on the consequences. The object is protection of biodiversity and the protection of victims of activity which can have transnational contexts. This is a question of compensation, prevention and remediation, not a question of fault. ILC Draft Principles principle 2(c) reads that “hazardous activity” means an activity which involves a risk of causing significant harm.” The GM

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						database shows 107 cases of contamination. The polluter-pays principle, and the ILC Draft Principles, strongly support strict liability.
	2. Standard of liability and channeling of liability: (a) Primary state liability.		Residual State liability in the main, possibly with the exception of the Fund.			
	Channeling of liability.	P. 29	<p><i>Channeling</i>: Should be: the notifier and exporter, the importer, anyone having control over the organism (e.g. distributor, carrier, storer, grower, except farmer); liability should be ‘joint and several’, meaning each could be liable, depending on the circumstances.</p> <p>For transit: exporter, notifier and any person having ownership or possession or otherwise exercising control should be liable.</p> <p>For unintentional: any person intentionally having ownership or possession or otherwise exercising control over the LMO immediately prior to or during the movement.</p>		<i>Art 4, 5</i>	<p><i>Channeling</i>: The polluter-pays principle means that all persons responsible for damage must pay (joint and several liability) so if one cannot or does not pay, the others responsible must pay, to ensure compensation is paid.</p> <p>Whether damage occurs at the transit, handling or use stage, such damage stems from the transboundary movement. Liability should be channeled to exporters, importers, and distributors, which should all bear joint and several liability. Liability does not end with the import of the LMO: the damage results from the movement as it would not have taken place without the movement. ‘Intentional introduction into the environment’, and ‘significant adverse effects on the conservation and sustainable use of</p>

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						biological diversity' have direct reference to the end results of the movement, rather than the movement itself.
	(b) Civil liability (harmonization of rules and procedures).	p.30	<i>Standard of Liability:</i> Strict liability. Liability should be strict, meaning without having to prove fault. However anyone else who acts intentionally, recklessly or negligently should also be liable.	Operational text 9 ¹⁸	Art.4,5.	<i>Strict/Absolute liability:</i> Any defence such as force majeure or Act of God shifts the risk to the victim, or to society or the environment. See ILC Draft Principles Principle 4.2.
	(c) Administrative approaches based on allocation of costs of response measures and restoration measures.	P. 34	Operator primary duty and State backed by fund if operator fails.	Operational text 10 ¹⁹	Art.6	There should be primary responsibility of the operator to take preventive or remedial action, and if the action is not taken, the State can take action and be reimbursed by the operator, or failing that, the fund. See ILC Draft Principle 7.2.
	3. Exemptions to or mitigation of strict liability.	P. 40	Option 1: no exemptions No weather or climatic occurrence or effect shall be considered Act of God or <i>force majeure</i> . Operators (c) Intervention by a third party	(a)Act of God/ <i>force majeure</i> and (b) Act of war or civil unrest, should be avoided if possible. They especially should not be adopted without modification. Otherwise Optional text	Arts. 4,5.	To allow exoneration from liability in the case of force majeure or Act of God shifts liability from the producer to the damaged farmer and/or public and amounts to a <i>de facto</i> subsidy to the LMO industry.

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			(f) 'State of the art' is particularly to be avoided since LMOs may well be claimed to be 'state of the art' yet later cause damage.	8 ²⁰ should be noted. In particular, (a) no mutation and no biological effect of any kind, (including any change to an organism or an ecosystem whether due to evolution or otherwise), shall be considered an Act of God or force majeure, and (b) no weather or climatic occurrence or effect shall be considered Act of God or force majeure.		
	4. The provision of interim relief	p. 43	Interim measures should be provided.	Operational text 11 ²¹ of VI.B. Civil Procedures.	Arts 8, 9	Essential to have interim relief to take urgent action.
	5. Recourse against third party by the person who is liable on the basis of strict liability.	p.43	Rights of recourse need to be provided.	Operational text 3. ²²	Art. 7	This allows cross-claims and claims for contributions where multiple persons may be liable.
	6. Joint and several liability or apportionment of liability.	p. 44	Joint and several liability.	Operational text 8 ²³	Arts. 4.7, 4.8, 49.3	The polluter-pays principle means that all persons responsible for damage must pay (joint and several liability) so if one cannot or does not pay, the others responsible must pay, to ensure

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						compensation is paid.
	7. Limitation of Liability	p. 45				
	(a) Limitation in time (relative time limit and absolute time limit).	p. 45		Operational text 11 ²⁴	Art. 14	It may take time to discover damage. The limitation period should run from when the damage is found, not when it was caused, and should be sufficiently long to allow a reasonable time for a claim to be brought. The time must run from the date of the occurrence of the damage or the date of discovery of the occurrence of the damage, since the damage may take time to manifest itself.
	(b) Limitation in amount.	p. 48	No limit.	No text needed/or Operational text 3 Option 2 ²⁵		One of the reasons given for limited liability is that insurers will not underwrite unlimited liability. While some argue that a reason to limit liability is to avoid industry going out of business, the converse of this is that limited liability can put the victim out of business.
	8. Coverage of liability (Insurance, insurance pool, self-insurance, bonds, state guarantees or other financial guarantees).	p. 49	Insurance or other financial guarantees are essential.	Operational Text 1 ²⁶	Art. 18	Insurance and/or other financial guarantees are critical to the instrument. If the liability of the operator is not secured by insurance or other financial guarantees, then the potentially liable party (e.g. exporter) can simply avoid exposure through

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						<p>undercapitalization, limited liability companies etc.</p> <p>The claimed unavailability of insurance is no answer to this: if the risk is uninsurable, there is no justification for the risk to be undertaken. Otherwise the risk is simply transferred to the victim, the public or the environment.</p> <p>See ILC Draft Principles Principle 4.3.</p>
V. Supplementary Compensation Scheme	A. Residual state liability.	p. 52		Operational Text 5 ²⁷	Art. 4.9, 49.2	Where the Fund payments are insufficient (e.g. for cleanup) the exporting State, or the State of the liable party, pays the residual amount.
	B. Supplementary collective compensation arrangements.	p. 53	Option 1: Fund financed by contributions from biotechnology industry to be made in advance on the basis of criteria to be determined.	Operational text 5 ²⁸	Art. 6(2), 19-33	<p>A fund is essential both to provide a backstop where liability fails and to ensure prevention, cleanup and remediation are undertaken. See ILC Draft Principle 7.2</p> <p>It is suggested that a fund be financed by a levy on LMO exports, similar to the way the Oil Fund is funded. (International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971).</p>
VI. Settlement of Claims	A. Inter State procedures (including settlement of disputes under Article 27 of the	p. 60	Dispute resolution mechanisms needed.	Operational text 6 ²⁹ (New provisions submitted by	Arts 34 - 48	Modern environmental governance requires comprehensive dispute settlement provisions, to ensure compliance and enforcement and to

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	Convention on Biological Diversity).			Greenpeace July 2007) Substitute new art. 43		avoid protracted disputes.
	<p>B. Civil procedures</p> <p>(i) Jurisdiction of courts or arbitral tribunals;</p> <p>(ii) Determination of the applicable law;</p> <p>(iii) Recognition and enforcement of judgments or arbitral awards.</p>	p. 63	These procedures are important as they determine how disputes are settled in practice.	Operational text 11 ³⁰	Arts. 8,12	<p>It is important to ensure that cases are tried in the courts - firstly where the damage occurred, and otherwise e.g. in the high seas, to the State most closely connected with the damage.</p> <p>Jurisdiction where the defendant is resident may be necessary to ensure recovery of damages.</p> <p>Otherwise (1) the plaintiff may have to engage lawyers and experts in another country, (2) the evidence of damage is likely to be called in other than the country the damage occurred, (3) this would be very expensive and complicated and (4) the courts deciding the case may for policy or other reasons decline compensation.</p> <p>The applicable law should normally be that of the place where the damage occurred. This is the place most connected with the incident and is likely to be the most relevant law.</p> <p>There should be enforcement provisions so judgments can be enforced in other member States..</p>

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	C. Administrative procedures	p. 72				Administrative procedures are set out above (p. 44-46) for prevention, remediation and restoration.
	D. Special tribunal (e.g. Permanent Court of Arbitration Optional Rules for Arbitration of Disputes Relating to Natural Resources and/or the Environment)	p. 72	Recommend an International Tribunal for the Protection of Biodiversity.	Operational Text 6 on page 60.	Arts 34-48.	The suggested articles establish a disputes mechanism, modeled largely on the dispute settlement provisions of the Law of the Sea Convention, focused on an International Tribunal for the Protection of Biodiversity.
	E. Standing/right to bring claims	p. 73	Wide access to justice needed.	Operational text 9. ³¹	Art. 9	Aarhus Convention promotes wide access to justice, to ensure that damage does not go unremedied.
VII. Complementary Capacity Building Measures		p.76				
VIII. Choice of Instrument		p.78	Option 1 a) A liability Protocol to the Biosafety Protocol;			

¹ See website at <http://www.biodiv.org/biosafety/issues/liability.shtml>.

² Suggested Text for Protocol on Liability and Redress for Damage Resulting from Transboundary Movements of Living Modified Organisms to the Convention on Biological Diversity, February 2007. Modified to include text submitted in the third meeting in February 2007 and text submitted in July 2007.

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³ See Report of the Open-ended Ad Hoc Working Group of Legal and Technical Experts on Liability and Redress in the Context of the Cartagena Protocol on Biosafety on the work of its third meeting. UNEP/CBD/BS/WG-L&R/3/3, 15 March 2007, at <http://www.biodiv.org/doc/meetings/bs/bswglr-03/official/bswglr-03-03-en.doc>. (“Third Meeting Report”).

Documents at [UNEP/CBD/BS/WG-L&R/3/3](http://www.biodiv.org/doc/meetings/bs/bswglr-03/official/bswglr-03-03-en.doc).

⁴ Blueprint for a COP/MOP Decision on International Rules and Procedures in the Field of Liability and Redress for Damage Resulting from Transboundary Movements of Living Modified Organisms, Annex I to Third Meeting Report.

⁵ Option 2 in Box B, page 16. See options listed in Chapter V, Supplementary Compensation Scheme, page 60.

⁶ *Operational text 7*

The Protocol shall not affect the rights and obligations of the Contracting Parties under the rules of general international law with respect to State responsibility.

⁷ *Operational text 14*

This Protocol shall apply to damage resulting from the transport, transit, handling and/or use of living modified organisms resulting from transboundary movements of living modified organisms, including unintentional and illegal transboundary movements of living modified organisms.

⁸ *Operational text 2*

1. ‘Area under national jurisdiction’ shall mean the territory of a Contracting Party and any other areas over which the Contracting Party has sovereignty or jurisdiction according to international law.

2. This Protocol shall apply to any damage described by [paragraph (a)] wherever suffered including in areas

(a) Within limits of national jurisdiction or control of Contracting Parties;

(b) Within the limits of national jurisdiction or control of non-Contracting Parties; or

(c) Beyond the limits of national jurisdiction or control of States.

⁹ *Operational text 1*

Unless a different intention appears from this Protocol, or is otherwise established, the provisions of this Protocol do not bind a Contracting Party in relation to any act or fact which took place or any situation which ceased to exist before the date of the entry into force of the treaty with respect to that Contracting Party.

¹⁰ *Operational Text 5*

This instrument shall apply to all damage resulting from the transboundary movement of a living modified organism and any different or subsequent use of the living modified organism or any characteristics and/or traits of or derived from the living modified organism.

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¹¹ *Operational text 1*

1. Whenever a transboundary movement is effected by transport:

(a) When the State of export is a Contracting Party to this Protocol this Protocol shall apply with respect to damage arising from an occurrence which takes place from the point where the living modified organisms are loaded on the means of transport in an area under the national jurisdiction of the State of export.

(b) When the State of import, but not the State of export, is a Contracting Party to this Protocol, this Protocol shall apply with respect to damage arising from an occurrence which takes place after the time at which the importer has taken possession of the living modified organism.

2. In any other case, this Protocol shall apply when there is a movement of a Living Modified Organism from within an area under national jurisdiction of a Contracting Party to an area outside its national jurisdiction.

¹² *Operational text 5*

Whenever a transboundary movement is effected by transport:

When the State of import, but not the State of export, is a Contracting Party to this Protocol, this Protocol shall apply with respect to damage arising from an occurrence which takes place after the time at which the importer has taken ownership or possession of the living modified organism.

¹³ *Operational text 13*

1. "Damage" includes:

(a) Damage to human health including:

(i) Loss of life or personal injury or disease together with medical costs including costs of diagnosis and treatment and associated costs;

(ii) Impairment of health;

(iii) Loss of income;

(iv) Public health measures;

(b) Damage to or impaired use of or loss of property;

(c) Loss of income derived from an economic interest in any use of the environment, incurred as result of impairment of the environment;

(d) Loss of income, loss of or damage to cultural, social and spiritual values, loss of or reduction of food security, damage to agricultural biodiversity, loss of competitiveness or other economic loss or other loss or damage to indigenous or local communities.

(e) Damage to the environment, including:

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- (i) The costs of reasonable measures of reinstatement or remediation of the impaired environment, where possible, measured by the costs of measures actually taken or to be undertaken, including introduction of original components;
- (ii) Where reinstatement or remediation to the original state is not possible, the value of the impairment of the environment, taking into account any impact on the environment, and the introduction of equivalent components at the same location, for the same use, or on another location for other types of use, and
- (iii) The costs of response measures, including any loss or damage caused by such measures; and
- (iv) The costs of preventive measures, including any loss or damage caused by such measures;
- (v) The costs of any interim measures; and
- (vi) Any other damage to or impairment of the environment, taking into account any impact on the environment;

provided that the damage was caused directly or indirectly by living modified organisms during or following a transboundary movement of the living modified organisms, or in the case of preventive measures, is threatened to be so caused.

- 2. "Impaired" in relation to the environment shall include any adverse effects on the environment;
- 3. "Measures of reinstatement" means any reasonable measures aiming to assess, reinstate or restore damaged or destroyed components of the environment;
- 4. "Compensation" shall include compensation for damage, restoration and remediation and other amounts payable under this Protocol.
- 5. Environment' includes all natural resources, including (i) air, water, soil, fauna and flora, and the interaction between the same factors, (ii) ecosystems and their constituent parts, (iii) biological diversity, (iv) amenity values, (v) indigenous or cultural heritage, and (vi) social, economic, aesthetic, and cultural conditions which are affected by the matters stated in paragraphs (i) to (v) of this definition.
- 6. "Biological diversity" means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.
- 7. "Ecosystem" means a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit.
- 8. A "center of origin" means a geographical area where a species first developed its distinctive properties.
- 9. "centre of diversity" means a geographic area containing a high level of genetic diversity for species in *in situ* conditions.

¹⁴ Operational text 1

- 1. In the valuation of the damage to the environment the following, amongst other matters, shall be taken into account:

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- (a) Costs of reasonable measures of reinstatement or remediation of the impaired environment, where possible, measured by the costs of measures actually taken or to be undertaken, including introduction of original components;
- (b) Where reinstatement or remediation to the original state is not possible, the value of the impairment of the environment, taking into account any impact on the environment, and the introduction of equivalent components at the same location, for the same use, or on another location for other types of use;
- (c) Costs of response measures, including any loss or damage caused by such measures;
- (d) Costs of preventive measures, including any loss or damage caused by such measures;
- (e) A monetary value for the loss during the period when the damage occurs and the environment is restored as required in (a) and (b);
- (f) A monetary value representing the difference in the value of the environment as reinstated under (a) or (b), and the value of the environment in its undamaged or impaired state; and
- (g) Any other matters not referred to in (a) – (f).

2. Any monetary damages recoverable in respect of the restoration of the environment shall, wherever possible, be applied for that purpose and aimed at returning the environment to its baseline condition.

¹⁵ *Operational text 1*

If any damage is caused to centres of origin or centres of genetic diversity, then and without prejudice to any rights or obligations hereinbefore stated:

- (a) Additional monetary damage shall be payable representing the cost of the investment in the centres;
- (b) Any other monetary damage shall be payable representing the unique value of the centres;
- (c) Any other measures may be required to be taken, taking into account the unique value of the centres.

¹⁶ *Operational text 2*

1. In the case of harm to human health, compensation shall include:

- (a) All costs and expenses incurred in seeking and obtaining the necessary and appropriate medical treatment;
- (b) Compensation for any disability suffered, for diminished quality of life, and for all costs and expenses incurred in reinstating, as far as possible, the quality of life enjoyed by the person before the harm was suffered;
- (c) Compensation for loss of life and all costs and expenses incurred and other related expenses;

2. Liability shall also extend to harm or damage caused directly or indirectly by the LMO or its product to:

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- (a) The livelihood or indigenous knowledge systems of local communities,
- (b) Technologies of a community or communities,
- (c) Damage or destruction arising from incidence of public disorder triggered by the LMO or its product,
- (d) Disruption or damage to production or agricultural systems,
- (e) Reduction in yields,
- (f) Soil contamination,
- (g) Damage to the biological diversity,
- (h) Damage to the economy of an area or community, and any other consequential economic, social or cultural damages.

¹⁷ Operational text 11

1. “Effect” includes (a) any direct or indirect effect, (b) any temporary or permanent effect, (c) any chronic or acute effect, (d) any past, present, or future effect; and (e) any cumulative effect which arises over time or in combination with other effects.
2. “Occurrence” means any occurrence or incident, or series of occurrences or incidents having the same origin, that causes damage or creates a serious threat of damage; and includes any act, omission, event or circumstance, foreseen or unforeseen, resulting from or following any transboundary movement of any living modified organism.
3. Damage shall include direct or indirect damage.
4. There shall be presumption that:
 - (a) The living modified organism which was the subject of a transboundary movement caused the damage where there is a reasonable possibility that it could have done so; and
 - (b) That any damage caused by a living modified organism which was the subject of a transboundary movement was the result of its biotechnology-induced characteristics.
5. To rebut the presumption, a person must prove to the standard required by the procedural law applied that the damage was not due to the characteristics of the living modified organism resulting from the genetic modification, or in combination with other hazardous characteristics of the living modified organism.

¹⁸ Operational text 10

1. ‘Notifier’ means the person who notifies the competent national authority of the Party of import prior to the intentional transboundary movement of a living modified organism that falls within the scope of Article 7, paragraph 1 of the Cartagena Protocol.
2. (a) The exporter and notifier of any living modified organism shall be liable for all damage caused by the living modified organism from the time of export of the living modified organism.

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- (b) Without prejudice to paragraph 1, the importer of the living modified organism shall be liable for all damage caused by the living modified organism from the time of import.
- (c) Without prejudice to paragraphs 1 and 2, should the living modified organism be re-exported from the state of import, the second and subsequent exporter and notifier of the living modified organism shall be liable for all damage caused by the living modified organism from the time of re-export of the living modified organism and the second and subsequent importer shall be liable for all damage caused by the living modified organism from the time of import.
- (d) Without prejudice to the preceding paragraphs, from the time of import of the living modified organism, any person intentionally having ownership or possession or otherwise exercising control over the imported living modified organism shall be liable for all damage caused by the living modified organism. Such persons shall include any distributor, carrier, and grower of the living modified organism and any person carrying out the production, culturing, handling, storage, use, destruction, disposal, or release of the living modified organism, with the exception of a farmer.
- (e) In the case of unintentional or illegal transboundary movement of a living modified organism, any person intentionally having ownership or possession or otherwise exercising control over the living modified organism immediately prior to or during the movement shall be liable for all damage caused by the living modified organism.
- (f) Any exporter, notifier and any person having ownership or possession or otherwise exercising control shall be liable for during the case of transit of living modified organisms through States other than the Party of export or Party of import.
- (g) All liability under this article shall be joint and several. If two or more persons are liable according to this article, the claimant shall have the right to seek full compensation for the damage from any or all of the persons liable.
- (h) If an occurrence consists of a continuous occurrence, all persons successively exercising the control of the living modified organism immediately before or during that occurrence shall be jointly and severally liable.
- (i) In the case of a person liable under this article being financially unable fully to meet the compensation for damages, together with costs and interest, as provided in this Protocol, or otherwise fails to meet such compensation, the liability shall be met by the State of which the person is a national.
3. Without prejudice to *paragraph 2* above, any person shall be liable for damage caused or contributed to by that person's lack of compliance with the provisions implementing the Convention or the Protocol or by that person's wrongful intentional, reckless or negligent acts or omissions.
- ¹⁹ Operational text 9
1. An 'operator' includes any person in operational control of a living modified organism at the time of an occurrence.
 2. 'Preventive measures' means any reasonable measures taken by any person in response to an occurrence, to prevent, minimize, or mitigate loss or damage, or to address damage or threatened damage to biodiversity, or to effect environmental clean-up.
 3. Subject to any requirement of domestic law, any operator shall take all reasonable measures to mitigate, restore, or reinstate damage arising from the occurrence in order:
 - (a) to ensure prompt and adequate compensation to victims of damage and/or

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(b) to preserve and protect the environment.

4. Each State shall adopt the necessary legislative, regulatory and administrative measures to ensure that the necessary steps are taken to prevent, remedy, restore or reinstate the environment where where an operator does not do so, and to recover the costs of doing so from an operator.

²⁰ Operational text 8

In particular, (a) no mutation and no biological effect of any kind, including any change to an organism or an ecosystem whether due to evolution or otherwise and whether gradual or otherwise, shall be considered an Act of God or force majeure, and (b) no weather, meteorological disturbance or climatic occurrence or effect shall be considered Act of God or force majeure.

²¹ Operational text 11

Article 8

Jurisdiction and applicable law

1. Primary jurisdiction over actions under this Protocol shall lie with the courts of the Contracting Party where the damage occurs.
2. If the damage occurs only beyond the limits of national jurisdiction, primary jurisdiction over actions under this Protocol shall lie with the courts of the State of import or the intended State of import, or, if the transboundary movement was unintended, with the courts of the State most closely connected with the damage.
3. Jurisdiction over actions under this Protocol shall also lie with the courts of the Contracting Party where the occurrence took place, where the defendant has his habitual residence or has his principal place of business.
4. All matters of substance or procedure regarding claims before the competent court which are not specifically regulated in this Protocol shall be governed by procedural and substantive law of that court. The nature, form and extent of the compensation, as well as the equitable distribution thereof, shall be governed by that law, and shall be consistent with this Protocol.
5. Each Contracting Party shall: (a) ensure that its courts possess the necessary (a) competence to entertain claims for compensation under this Protocol; and (b) shall adopt the legislative measures necessary to ensure that the laws provide for compensation according to this Protocol and according to any harmonizing recommendations made by the Assembly under article 15.

Article 9

Court powers and procedures

1. Courts shall have the power to order remediation and restoration as well as compensation and may order costs and interest.
2. The Court shall presume that (a) the living modified organism which was the subject of a transboundary movement caused the damage where there is a reasonable possibility that it could have done so and (b) that any damage caused by a living modified organism which was the subject of a transboundary movement is the result of its

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biotechnology-induced characteristics rather than any natural characteristics. To rebut the presumption a person must prove to the standard required by the procedural law applied pursuant to article 8 that the damage is not due to the characteristics of the living modified organism resulting from the genetic modification, or in combination with other hazardous characteristics of the living modified organism.

3. When considering evidence of the causal link between the occurrence and the damage, the court shall take due account of the increased danger of causing such damage inherent in undertaking the transboundary movement of or exercising ownership, possession or control over the living modified organism.

4. Orders for compensation for damage shall fully compensate affected persons and shall pay the cost of preventive measures and costs of reinstatement or remediation of the environment.

5. The Court shall have the power to order interim or preliminary measures to order any person to take or abstain from any act where necessary or desirable to prevent significant damage, to mitigate or avoid further damage.

²² *Operational Text 3*

1. Any person liable under the Protocol shall be entitled to a right of recourse in accordance with the rules of procedure of the competent court: (a) Against any other person also liable under the Protocol; and (b) As expressly provided for in contractual arrangements.

2. Nothing in the Protocol shall prejudice any rights of recourse to which the person liable might be entitled pursuant to the law of the competent court.

²³ *Operational text 8*

1. All liability under this article shall be joint and several. If two or more persons are liable according to this article, the claimant shall have the right to seek full compensation for the damage from any or all of the persons liable.

2. If an occurrence consists of a continuous occurrence, all persons successively exercising the control of the living modified organism immediately before or during that occurrence shall be jointly and severally liable.

3. Where there is liability under [exporting State] and [state of national], the liability shall be joint and several.

²⁴ *Operational text 11*

1. Claims for compensation under this Protocol shall not be admissible unless they are brought within ten years from (a) the date of the occurrence of the damage, or (b) from the date the damage becomes known or reasonably should have become known by the claimant and is known by the claimant to be attributable to the occurrence or should reasonably have been known to be so by the claimant, whichever occurs later.

2. Where the occurrence consists of a series of occurrence having the same origin, the date of occurrence under this article shall be the date of the last of such occurrence. Where the occurrence consists of continuous occurrence, such time limit shall run from the end of that continuous occurrence.

²⁵ *Operational Text 3 – option 2:* There shall be no financial limit on liability for any damage recoverable under this instrument.

²⁶ *Operational text 1*

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1. The Party of export or any other person that will be strictly liable pursuant Article ----- herein shall establish and maintain during the period of the time of liability, insurance, bonds or other financial guarantees covering their liability for amounts not less than the minimum limits specified herein.
2. The Party of export may, by notifying a declaration of self insurance through the Biosafety clearing-House, fulfill its obligation provided under subarticle one of this Article.
3. Insurance, bonds or other financial guaranties provided under subarticle one of this Article shall only be drawn upon to provide compensation for damage.
4. Proof of coverage of the liability of the Party of export or any other person shall be delivered to the competent authorities of the state of import/transit, and the same shall be notified to parties through the Biosafety Clearing-House.
5. Any claim under this Protocol may be asserted directly against any person providing insurance, bonds or other financial guarantees. The insurer or the person providing the financial guarantee shall have the right to require the person liable under this Protocol to be joined in the proceedings. Insurer and persons providing financial guarantees may invoke the defenses which the person liable under this Protocol would be entitled to invoke.

²⁷ *Operational text 5*

1. In the case of a person liable under this article being financially unable fully to meet the compensation for damages, together with costs and interest, as provided in this Protocol, or otherwise fails to meet such compensation, the liability shall be met by the State of which the person is a national.
2. Where payments by the Fund under Article 21 for damage, including compensation and the costs of prevention, remediation, restoration or reinstatement of the environment, are insufficient, the exporting Contracting Party shall be liable to pay the residual amount payable under this Protocol.

²⁸ *Operational text 5*

Article 6: Preventive, mitigating, restoring and reinstating measures required

Where the financial resources of an operator, including financial security measures, are insufficient to cover the damage suffered as a result of an incident, the Fund shall pay the costs of prevention, remediation, restoration or reinstatement of the environment where payment for such is not available under this Protocol.

Article 19. Fund established

1. An International Fund for compensation for damage, to be named “The International Living Modified Organism Compensation Fund” and hereinafter referred to as “The Fund”, is hereby established with the following aims:
 - (a) to provide compensation for and prevention, remediation or reinstatement of damage to the extent that the protection afforded by this Protocol is inadequate;
 - (b) to provide legal aid to claimants;
 - (c) to give effect to the related purposes set out in this Convention.

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2. The Fund shall in each Contracting Party be recognized as a legal person capable under the laws of that State of assuming rights and obligations and of being a party in legal proceedings before the courts of that State. Each Contracting Party shall recognize the Director of the Fund (hereinafter referred to as “The Director”) as the legal representative of the Fund.

Article 20. Applicability of the Fund

This Part shall apply with regard to compensation according to article 21 to damage caused in areas under the national jurisdiction of a Contracting Party or in areas beyond the limits of national jurisdiction, and to preventive measures taken to prevent or minimize such damage or for reinstatement or remediation of the environment following such damage.

Article 21. Payment of Compensation and Remediation

1. The Fund shall pay compensation to any person suffering damage if such person has been unable to obtain full and adequate compensation for the damage under this Protocol, either

(a) Because no liability for the damage arises under this Protocol;

(b) Because the party liable for the damage under this Protocol is financially incapable of meeting his obligations in full and any financial security that may be provided under this Protocol does not cover or is insufficient to satisfy the claims for compensation for the damage; a person being treated as financially incapable of meeting that person’s obligations and a financial security being treated as insufficient if the person suffering the damage has been unable to obtain full satisfaction of the amount of compensation due under this Protocol after having taken all reasonable steps to pursue the legal remedies available to him;

2. The Fund shall pay the costs of prevention, remediation or reinstatement of the environment where payment for such remediation or reinstatement was not available under this Protocol.

3. The aggregate amount of compensation and prevention, remediation and reinstatement payable by the Fund under this article shall in respect of any one occurrence be limited, so that the total sum of that amount and the amount of compensation actually paid under this Protocol for an occurrence, shall not exceed the amount specified in Annex IV.

4. Where the amount of established claims against the Fund exceeds the aggregate amount of compensation payable under paragraph 4, the amount available shall be distributed in such a manner that the proportion between any established claim and the amount of compensation actually recovered by the claimant under this Protocol shall be the same for all claimants.

5. The Assembly of the Fund (hereinafter referred to as “the Assembly”) may, having regard to the experience of incidents which have occurred and in particular the amount of damage resulting therefrom and to changes in the monetary values, decide that the amount referred to in paragraph 2, shall be increased; provided, however, that this amount shall in no case be decreased. The changed amount shall apply to incidents which occur after the date of the decision effecting the change.

6. The Fund shall, at the request of a Contracting Party, use its good offices as necessary to assist that State to secure promptly such personnel, material and services as are necessary to enable the State to take measures to prevent or damage arising from an occurrence in respect of which the Fund may be called upon to pay compensation under this Protocol.

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7. The Fund may on conditions to be laid down in Regulations provide credit facilities with a view to the taking of preventive measures against damage arising from a particular occurrence in respect of which the Fund may be called upon to pay compensation under this Protocol.

Article 22. Time limitations

Rights to compensation under article 21 shall be extinguished unless an action is brought thereunder or a notification has been made pursuant to Article 23, paragraph 6, within ten years from the date when the damage occurred or from when the damage is discovered.

Article 23. Jurisdiction

1. Subject to the subsequent provisions of this article, any action against the Fund for compensation under article 21 of this Protocol shall be brought only before a court competent under article 8 of this Protocol in respect of actions against a person who is or who would be been liable for damage caused by the relevant occurrence.
2. Each Contracting Party shall ensure that its courts possess the necessary jurisdiction to entertain such actions against the Fund as are referred to in paragraph 1.
3. Where an action for compensation for damage has been brought before a court competent under article 8 of this Protocol, such court shall have exclusive jurisdictional competence over any action against the Fund for compensation under the provisions of article 21 of this Convention in respect of the same damage.
4. Each Contracting State shall ensure that the Fund shall have the right to intervene as a party to any legal proceedings before a competent court of that State against a person who may be liable under article 4 of this Protocol.
5. Except as otherwise provided in paragraph 6, the Fund shall not be bound by any judgment or decision in proceedings to which it has not been a party or by any settlement to which it is not a party.
6. Without prejudice to the provisions of paragraph 4, where an action under this Protocol for compensation for damage has been brought before a competent court in a Contracting State, each party to the proceedings shall be entitled under the national law of that State to notify the Fund of the proceedings. Where such notification has been made in accordance with the formalities required by the law of the court seized and in such time and in such a manner that the Fund has in fact been in a position effectively to intervene as a party to the proceedings, any judgment rendered by the court in such proceedings shall, after it has become final and enforceable in the State where the judgment was given, become binding upon the Fund in the sense that the facts and findings in that judgment may not be disputed by the Fund even if the Fund has not actually intervened in the proceedings.

Article 24. Enforcement

Subject to any decision concerning the distribution referred to in article 21, paragraph 4, any judgment given against the Fund by a court having jurisdiction in accordance with article 23, paragraphs 1 and 3, shall, when it has become enforceable in the State of origin and is in that State no longer subject to ordinary forms of review, be recognized and enforceable in each Contracting State on the same conditions as are prescribed in [article 12] of this Protocol.

Article 25. Subrogation

1. The Fund shall, in respect of any amount of compensation for damage paid by the Fund in accordance with article 21, paragraph 1, of this Protocol, acquire by subrogation the rights that the person so compensated may enjoy under the Protocol against any person who may be liable under article 4 of this Protocol.

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2. Nothing in this Convention shall prejudice any right of recourse or subrogation of the Fund against persons other than those referred to in the preceding paragraph. In any event the right of the Fund to subrogation against such person shall not be less favourable than that of an insurer of the person to whom compensation or indemnification has been paid.

3. Without prejudice to any other rights of subrogation or recourse against the Fund which may exist, a Contracting Party or agency thereof which has paid compensation for damage in accordance with provisions of national law shall acquire by subrogation the rights which the person so compensated would have enjoyed under this Protocol.

Article 26. Assessment of Contributions

1. Contributions to the fund shall be made in respect of each Contracting Party by any person who, in the calendar year referred to in article 27, paragraph 1, as regards initial contributions and in article 28, paragraphs 2 (a) or (b), as regards annual contributions, has exported living modified organisms in total quantities exceeding the amount specified in Annex II.

2. For the purposes of paragraph 1, where the value of living modified organisms exported by any person in a calendar year when aggregated with the value of living modified organisms by any associated person or persons exceeds the amount specified in Annex II, such person shall pay contributions in respect of the actual quantity received by him notwithstanding that that value did not exceed the amount specified in Annex II.

3. “Associated person” means any subsidiary or commonly controlled entity. The question whether a person comes within this definition shall be determined by the national law of the Party concerned.

Article 27. Quantum of Contributions

1. In respect of each Contracting Party initial contributions shall be made of an amount which shall for each person referred to in article 26 be calculated on the basis of a fixed sum proportionate to the value of the living modified organisms exported during the calendar year preceding that in which this Convention entered into force for that State.

2. The sum referred to in paragraph 1 shall be determined by the Assembly within three months after the entry into force of this Protocol. In performing this function the Assembly shall, to the extent possible, fix the sum in such a way that the total amount of initial contributions would, if contributions were to be made in respect of 90 per cent of the quantities of living modified organisms exported throughout the world, equal ____ million SDR.

3. The initial contributions shall in respect of each Contracting Party be paid within three months following the date at which the Protocol entered into force for that Party.

Article 28. Budget

1. With a view to assessing for each person referred to in article 26 the amount of annual contributions due, if any, and taking account of the necessity to maintain sufficient liquid funds, the Assembly shall for each calendar year make an estimate in the form of a budget of:

(i) Expenditure

(a) Costs and expenses of the administration of the Fund in the relevant year and any deficit from operations in preceding years;

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(b) Payments to be made by the Fund in the relevant year for the satisfaction of claims against the Fund due under article 21, including repayment on loans previously taken by the Fund for the satisfaction of such claims, to the extent that the aggregate amount of such claims in respect of any one incident does not exceed the amount specified in Annex I;

(ii) Income

(a) Surplus funds from operations in preceding years, including any interest;

(b) Initial contributions to be paid in the course of the year;

(c) Annual contributions, if required to balance the budget;

(d) Any other income.

2. For each person referred to in article 26 the amount of his annual contribution shall be determined by the Assembly and shall be calculated in respect of each Contracting Party.

3. The sums referred to in paragraph 2 above shall be arrived at by dividing the relevant total amount of contributions required by the total amount of living modified organisms exported by all Contracting States in the relevant year.

4. The Assembly shall decide the portion of the annual contribution which shall be immediately paid in cash and decide on the date of payment. The remaining part of each annual contribution shall be paid upon notification by the Director.

5. The Director may, in cases and in accordance with conditions to be laid down in the Regulations of the Fund, require a contributor to provide financial security for the sums due from him.

6. Any demand for payments made under paragraph 4 shall be called ratably from all individual contributors.

Article 29. Assessment of Contributions

1. The amount of any contribution due under article 28 and which is in arrear shall bear interest at a rate which shall be determined by the Assembly for each calendar year provided that different rates may be fixed for different circumstances.

2. Each Contracting Party shall ensure that any obligation to contribute to the Fund arising under this Protocol in respect of living modified organisms exported from the territory of that State is fulfilled and shall take any appropriate measures under its law, including the imposing of such sanctions as it may deem necessary, with a view to the effective execution of any such obligation; provided, however, that such measures shall only be directed against those persons who are under an obligation to contribute to the Fund.

3. Where a person who is liable in accordance with the provisions of articles 27 and 28 to make contributions to the Fund does not fulfil his obligations in respect of any such contribution or any part thereof and is in arrear for a period exceeding three months, the Director shall take all appropriate action against such person on behalf of the Fund with a view to the recovery of the amount due. However, where the defaulting contributor is manifestly insolvent or the circumstances otherwise so warrant, the Assembly may, upon recommendation of the Director, decide that no action shall be taken or continued against the contributor.

Article 30. Fund Bodies

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1. The Fund shall have an Assembly, a Secretariat headed by a Director and an Executive Committee.
2. The Assembly shall consist of all Contracting States to this Protocol.

Article 31 Assembly Functions

The functions of the Assembly shall be:

1. To elect at each regular session its Chair and two Vice-Chairmen who shall hold office until the next regular session;
2. To determine its own rules of procedure, subject to the provisions of this Protocol;
3. To adopt Internal Regulations necessary for the proper functioning of the Fund;
4. To appoint the Director and make provisions for the appointment of such other personnel as may be necessary and determine the terms and conditions of service of the Director and other personnel;
5. To adopt the annual budget and fix the annual contributions;
6. To appoint auditors and approve the accounts of the Fund;
7. To approve settlements of claims against the Fund, to take decisions in respect of the distribution among claimants of the available amount of compensation in accordance with article 21, paragraph 3, and to determine the terms and conditions according to which provisional payments in respect of claims shall be made with a view to ensuring that victims of damage are compensated as promptly as possible;
8. To elect the members of the Assembly to be represented on the Executive Committee.
9. To establish any temporary or permanent subsidiary body it may consider to be necessary;
10. To determine which non-Contracting States and which inter-governmental and international non-governmental organizations shall be admitted to take part, without voting rights, in meetings of the Assembly, the Executive Committee, and subsidiary bodies;
11. To give instructions concerning the administration of the Fund to the Director, the Executive Committee and subsidiary bodies;
12. To review and approve the reports and activities of the Executive Committee;
13. To supervise the proper execution of the Convention and of its own decisions;
14. To perform such other functions as are allocated to it under the Convention or are otherwise necessary for the proper operation of the Fund.

Article 32. Sessions of Assembly

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1. Regular sessions of the Assembly shall take place once every calendar year upon convocation by the Director; provided, however, that if the Assembly allocates to the Executive Committee the functions specified in article 31, paragraph 5, regular sessions of the Assembly shall be held once every two years.
2. Extraordinary sessions of the Assembly shall be convened by the Director at the request of the Executive Committee or of at least one-third of the members of the Assembly and may be convened on the Director's own initiative after consultation with the Chairman of the Assembly. The Director shall give members at least thirty days' notice of such sessions.

Article 33. Quorum

A majority of the members of the Assembly shall constitute a quorum for its meetings.

[other mechanical provisions as necessary]

²⁹ Operational text 6

Section 1: General provisions

Article 34.

Obligation to settle disputes by peaceful means

Contracting Parties shall settle any dispute between them concerning the interpretation or application of this Protocol by peaceful means in accordance with article 2, paragraph 3, of the Charter of the United Nations and, to this end, shall seek a solution by the means indicated in article 33, paragraph 1, of the Charter.

Article 35.

Settlement of disputes by any peaceful means chosen by the Parties

Nothing in this Part impairs the right of any Contracting Parties to agree at any time to settle a dispute between them concerning the interpretation or application of this Protocol by any peaceful means of their own choice.

Article 36.

Procedure where no settlement has been reached by the Parties

1. If the Contracting Parties which are parties to a dispute concerning the interpretation or application of this Protocol have agreed to seek settlement of the dispute by a peaceful means of their own choice, the procedures provided for in this Part apply only where no settlement has been reached by recourse to such means and the agreement between the parties does not exclude any further procedure .
2. If the parties have also agreed on a time limit, paragraph 1 applies only upon the expiration of that time-limit.

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Article 37.

Obligation to exchange views

1. When a dispute arises between Contracting Parties concerning the interpretation or application of this Protocol, the parties to the dispute shall proceed expeditiously to an exchange of views regarding its settlement by negotiation or other peaceful means.
2. The Parties shall also proceed expeditiously to an exchange of views where a procedure for the settlement of such a dispute has been terminated without a settlement or where a settlement has been reached and the circumstances require consultation regarding the manner of implementing the settlement.

Article 38.

Conciliation

1. A Contracting Party which is a party to a dispute concerning the interpretation or application of this Convention may invite the other party or parties to submit the dispute to conciliation under Annex II.
2. If the invitation is accepted and if the parties agree upon the conciliation procedure to be applied, any party may submit the dispute to that procedure.
3. If the invitation is not accepted or the parties do not agree upon the procedure, the conciliation proceedings shall be deemed to be terminated.
4. Unless the parties otherwise agree, when a dispute has been submitted to conciliation, the proceedings may be terminated only in accordance with the agreed conciliation procedure.

Section 2: Compulsory procedures entailing binding decisions

Article 39.

Application of procedures under this Section

Subject to section 3 of this Part, any dispute concerning the interpretation or application of this Protocol shall, where no settlement has been reached by recourse to section 1, be submitted at the request of any party to the dispute to the court or tribunal having jurisdiction under this section.

Article 40.

Choice of procedure

1. When signing, ratifying or acceding to this Protocol or at any time thereafter, a Contracting Party shall be free to choose, by means of a written declaration, one or more of the following means for the settlement of disputes concerning the interpretation or application of this Convention:
 - (a) The International Tribunal for the Protection of Biodiversity established in accordance with Annex III.

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- (b) The International Court of Justice;
 - (c) An arbitral tribunal constituted in accordance with Annex IV;
 - (d) A special arbitral tribunal constituted in accordance with Annex IV for one or more of the categories of disputes specified therein.
2. A State Party, which is a party to a dispute not covered by a declaration in force, shall be deemed to have accepted the International Tribunal for the Protection of Diversity in accordance with Annex III.
 3. If the parties to a dispute have accepted the same procedure for the settlement of the dispute, it may be submitted only to that procedure, unless the parties otherwise agree.
 4. If the parties to a dispute have not accepted the same procedure for the settlement of the dispute, it may be submitted only to the International Tribunal for the Protection of Biodiversity in accordance with Annex III, unless the parties otherwise agree.
 5. A declaration made under paragraph 1 shall remain in force until three months after notice of revocation has been deposited with the Secretary-General of the United Nations.
 6. A new declaration, a notice of revocation or the expiry of a declaration does not in any way affect proceedings pending before a court or tribunal having jurisdiction under this article, unless the parties otherwise agree.
 7. Declarations and notices referred to in this article shall be deposited with the Secretary-General of the United Nations, who shall transmit copies thereof to the States Parties.

Article 41.

Jurisdiction

1. A court or tribunal referred to in article 40 shall have jurisdiction over any dispute concerning the interpretation or application of this Protocol which is submitted to it in accordance with this Part.
2. A court or tribunal referred to in article 40 shall also have jurisdiction over any dispute concerning the interpretation or application of an international agreement related to the purposes of this Convention, which is submitted to it in accordance with the agreement.
3. In the event of a dispute as to whether a court or tribunal has jurisdiction, the matter shall be settled by decision of that court or tribunal.

Article 42.

Experts

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In any dispute involving scientific or technical matters, a court or tribunal exercising jurisdiction under this section may, at the request of a party or proprio motu, select in consultation with the parties no fewer than two scientific or technical experts chosen preferably from the relevant list prepared in accordance with Annex V, to sit with the court or tribunal but without the right to vote.

Article 43 Provisional measures

1. If a dispute has been duly submitted to a court or tribunal which considers that prima facie it has jurisdiction under this Part, the court or tribunal may prescribe any provisional measures which it considers appropriate under the circumstances to preserve the respective rights of the parties to the dispute or to prevent serious harm to the environment, pending the final decision.
2. Provisional measures may be modified or revoked as soon as the circumstances justifying them have changed or ceased to exist.
3. Provisional measures may be prescribed, modified or revoked under this article only at the request of a party to the dispute and after the parties have been given an opportunity to be heard.

Article 44.

Access

1. All the dispute settlement procedures specified in this Part shall be open to Contracting Parties.
2. The dispute settlement procedures specified in this Part shall be open to entities other than States Parties as specifically provided for in this Protocol or as provided in Rules passed by the Assembly under article 31.

Article 45.

Applicable law

1. A court or tribunal having jurisdiction under this section shall apply this Protocol and other rules of international law not incompatible with this Protocol.
2. Paragraph 1 does not prejudice the power of the court or tribunal having jurisdiction under this section to decide a case ex aequo et bono, if the parties so agree.

Article 46.

Preliminary proceedings

1. A court or tribunal provided for in article 40 to which an application is made in respect of a dispute referred to in article 39 shall determine at the request of a party, or may determine proprio motu, whether the claim constitutes an abuse of legal process or whether prima facie it is well founded. If the court or tribunal determines that the claim constitutes an abuse of legal process or is prima facie unfounded, it shall take no further action in the case.

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2. Upon receipt of the application, the court or tribunal shall immediately notify the other party or parties of the application, and shall fix a reasonable time limit within which they may request it to make a determination in accordance with paragraph 1.

3. Nothing in this article affects the right of any party to a dispute to make preliminary objections in accordance with the applicable rules of procedure.

Article 47.

Exhaustion of local remedies

Any dispute between Contracting Parties concerning the interpretation or application of this Protocol may be submitted to the procedures provided for in this section only after local remedies have been exhausted where this is required by international law.

Article 48.

Finality and binding force of decisions

1. Any decision rendered by a court or tribunal having jurisdiction under this section shall be final and shall be complied with by all the parties to the dispute.

2. Any such decision shall have no binding force except between the parties and in respect of that particular dispute.

³⁰ Operational text 11

Article 8 Jurisdiction and applicable law

1. Primary jurisdiction over actions under this Protocol shall lie with the courts of the Contracting Party where the damage occurs.

2. If the damage occurs only beyond the limits of national jurisdiction, primary jurisdiction over actions under this Protocol shall lie with the courts of the State of import or the intended State of import, or, if the transboundary movement was unintended, with the courts of the State most closely connected with the damage.

3. Jurisdiction over actions under this Protocol shall also lie with the courts of the Contracting Party where the occurrence took place, where the defendant has his habitual residence or has his principal place of business.

4. All matters of substance or procedure regarding claims before the competent court which are not specifically regulated in this Protocol shall be governed by procedural and substantive law of that court. The nature, form and extent of the compensation, as well as the equitable distribution thereof, shall be governed by that law, and shall be consistent with this Protocol.

5. Each Contracting Party shall: (a) ensure that its courts possess the necessary competence to entertain claims for compensation under this Protocol; and (b) shall adopt the legislative measures necessary to ensure that the laws provide for compensation according to this Protocol and according to any harmonizing recommendations made by the Assembly under article 15.

Article 9 Court powers and procedures

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1. Courts shall have the power to order remediation and restoration as well as compensation and may order costs and interest.
2. The Court shall presume that (a) the living modified organism which was the subject of a transboundary movement caused the damage where there is a reasonable possibility that it could have done so and (b) that any damage caused by a living modified organism which was the subject of a transboundary movement is the result of its biotechnology-induced characteristics rather than any natural characteristics. To rebut the presumption a person must prove to the standard required by the procedural law applied pursuant to article 8 that the damage is not due to the characteristics of the living modified organism resulting from the genetic modification, or in combination with other hazardous characteristics of the living modified organism.
3. When considering evidence of the causal link between the occurrence and the damage, the court shall take due account of the increased danger of causing such damage inherent in undertaking the transboundary movement of or exercising ownership, possession or control over the living modified organism.
4. Orders for compensation for damage shall fully compensate affected persons and shall pay the cost of preventive measures and costs of reinstatement or remediation of the environment.
5. The Court shall have the power to order interim or preliminary measures to order any person to take or abstain from any act where necessary or desirable to prevent significant damage, to mitigate or avoid further damage.

Article 10 Lis Pendens

1. Where proceedings involving the same or similar cause of action and between the same or substantially the same parties are brought in the courts of another Contracting Party or Parties, any court other than the court described in paragraphs 1 and 2 of article 8 shall of its own motion stay its proceedings unless and until the court described in paragraphs 1 and 2 article 8 rules that it does not have jurisdiction under this Protocol.
2. Where the jurisdiction of the court described in paragraphs 1 and 2 is established by that court, any court other than that court shall decline jurisdiction in favour of that court.
3. When there are two or more courts described in paragraphs 1 and 2 of article 8, then any court other than the court described in paragraphs 1 and 2 of article 8 and first seized of the case shall of its own motion stay its proceedings unless and until the court first seized of the case rules that it does not have jurisdiction under this Protocol. Where the jurisdiction of the court first seized of the case is established by that court, any court other than that court shall decline jurisdiction in favour of that court.

Article 11 Related Actions

1. Where related actions are brought in the different courts described in article 8, any court other than the court described in paragraphs 1 and 2 of article 8 shall, while the actions are pending at first instance, stay its proceedings upon the motion of a party to any of the proceedings.
2. A court other than the court described in paragraphs 1 and 2 of article 8 shall, on the application of one of the parties, decline jurisdiction if the law of that court the court described in paragraphs 1 and 2 of article 8 permits the consolidation of related actions and the court first seized has jurisdiction over both or all actions.
3. When related actions are brought in the courts of different Parties, and all courts are described in article 8, then any court other than the court first seized of the case may of its own motion stay its proceedings until the court first seized of the case rules whether it has jurisdiction under this Protocol. Where the jurisdiction of the court first seized of the case is established by that court, any court other than that court may decline jurisdiction in favour of that court.

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4. For the purposes of this article, actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.

Article 12 Enforcement

1. Judgments entered by the competent court under article 8 after trial, or by default or by consent, shall, when they have become enforceable under the law applied by that court, become enforceable in the territory of any of the other Contracting Parties as soon as the formalities required by the Contracting Party concerned have been complied with. The merits of the case shall not be the subject of further proceedings. The foregoing provisions shall not apply to interim judgments.

2. The foregoing provisions shall not apply if (a) a decision was given in default of appearance and the defendant was not duly served with the document which instituted the proceedings or with an equivalent document in sufficient time to enable him to arrange for his defence, or (b) the judgment was obtained by fraud.

3. If an action is brought against a Contracting Party under this Convention, such Contracting Party may not, except in respect of measures of execution, invoke any jurisdictional immunities before the court competent in accordance with this article.

³¹ *Operational text 9*

1. The principle of wide access to justice shall be implemented. To this end, persons and groups with a concern for or interest in environmental, social or economic matters, persons and groups representing communities or business interests and local, regional and national governmental authorities, shall have standing to bring a claim under this Protocol.

2. Nothing in the Protocol shall be construed as limiting or derogating from any rights of persons who have suffered damage, or as limiting the protection or reinstatement of the environment which may be provided under domestic law.

3. Financial and other barriers to justice shall not impede access to justice under this article and Contracting Parties shall take appropriate steps to remove or reduce such barriers.