



Bridges Trade BioRes

Biweekly news, events and resources at the intersection of trade and environment

Volume 10 · Number 11, 11 June 2010

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Bridges Trade BioRes© is published by the International Centre for Trade and Sustainable Development (ICTSD), an independent, not-for-profit organisation based at International Environment House II, Chemin de Balexert 7, 1219 Geneva, Switzerland, tel: (+41) 22-917-8492; fax: (+41) 22-917-8093.

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ISSN 1682-0843

CLIMATE CHANGE

Rage, Dismay, and Disappointment as Climate Meeting Comes to a Close

In contrast to the constructive and upbeat tone that characterised the first week of the climate meetings taking place in Bonn, Germany from 31 May to 11 June, the annual mid-year meeting of the UN Framework Convention on Climate Change (UNFCCC) appears to be ending on a sour note.

Countries divvied out their climate officials across four negotiating arenas, the most prominent of which was the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA), the group working towards a new global deal for climate change. However, progress in that arena was slowed by the question and discussion format of the meetings that perpetuated an *ad nauseum* repetition of countries' long-held positions. The result was that in most topics there was a lack of progress on the more controversial issues such as how to increase mitigation by developed countries, how to support upscaled mitigation in developing countries, how to manage new financing and get more technology on the ground. The issue of increased support for adaptation also proved controversial as developing countries differences seem to increase rather than find common ground. Negotiators seem almost unwilling to tackle their substantive differences, especially those generated by the particular positions of the United States.

The AWG-LCA had launched this session with a new text prepared by their chair – a promising start according to many delegates and observers. The chair then led negotiation sessions by posing a series of questions to the parties for each section of the text, an approach that some observers have

said does not dig far enough into the heart of the most critical outstanding issues.

The chair then asked parties to “speak out of the box” in order to work on whittling down their differences rather than restating positions and ideas. However, little progress was made in the discussions and many of the more controversial issues remain unresolved.

Countries engage on response measures

An intense yet lively debate took place on the question of “economic and social consequences of response measures” under the LCA Thursday afternoon. The debate centred around whether to establish a new institution or mechanism to capture and address such impacts (supported principally by Saudi Arabia), whether to initiate studies or other forms of information gathering and reporting on this issue, or whether simply to use the existing national communications that parties present annually to report on arising areas of concern.

Many developed countries opposed the establishment of new institutions favouring the “do-it-yourself” approach. Notably, many developing countries lack the financial, institutional, and human resources to carry out extensive studies in this area, putting them at major disadvantage if support is not forthcoming under the UN climate system. Most of those countries are particularly concerned about the impact on trade of measures taken at the border or otherwise by developed countries as they develop and implement new policies to address emissions at home coupled with policies to safeguard their national industries’ competitiveness.

Prank delays progress on final day

The closing plenaries of the AWG-KP and AWG-LCA were delayed as a special session was called to address an anonymous prank against Saudi Arabia. Many countries expressed their condemnation of the act and called for a thorough investigation by the Secretariat of the UNFCCC.

Some observers have suggested the action may have been a response to the previous day’s

discussions where Saudi Arabia and a number of other Arab states opposed a proposal by the Alliance of Small Island Developing States (AOSIS) who requested a study on the impacts of a 1.5 degree versus a 2 degree temperature rise. Nonetheless, there is currently no reliable information as to who perpetrated the act or their motives.

As sessions resumed, the LCA group reacted to a revised version of the negotiation text that they have spent the week discussing. The response for the most part was severely negative with the Group of 77 and China expressing “dismay” that the new text is imbalanced and no longer contains their proposals. The group emphasised that these proposals reflect a broadly representative position, carefully hewn among over one hundred countries.

US positions hinder progress

Sources say the United States has taken an increasingly conservative position on most topics up for discussion in Bonn. In many cases - including the discussions on technology and developed country mitigation commitments - the US position has held back progress. The European Union expressed their discontent with the inability of the negotiations during the past two weeks to tackle the issue of mitigation in a serious fashion. They particularly disapproved of the inability of the Secretariat to translate the levels of mitigation action communicated by parties after Copenhagen into a more detailed discussion on commitments and actions of all countries.

Throughout the meeting, Washington has reportedly blocked the establishment of a financing system by insisting that there be no decision-making board directing any climate-related fund. In many cases, the US continues to promote the elements of the Copenhagen Accord, despite the document’s non-consensual status.

Washington also pushed to simply make use of the instruments and institutions already existing under the Convention, rather than establishing new ones to scale up the global response. This approach is consistent with the US insistence on nationally led climate action, rather than a more

robust “top down” international approach to address climate change - despite the widespread opinion that the current tools have proven to be slow, inadequate, and limited.

Mexico, Figueres push for Cancun deal

It remains an open question as to whether negotiators will be able to secure a comprehensive, legally binding agreement at this December's COP 16 in Cancun, Mexico. The question of the “legal form” of the eventual agreement is still a subject of debate.

Mexico is lobbying hard to get parties focused on a strong outcome and positive pace at this mid-year meeting in Bonn. Fresh optimism was also injected into the Bonn meeting with the presence of Christiana Figueres, the former Costa Rican climate negotiator who will replace Yvo de Boer as head of the UN Framework Convention on Climate Change.

“Governments will meet this challenge, for the simple reason that humanity must meet this challenge,” Figueres said in an interview with The Associated Press on the sidelines of the Bonn meeting. “We just don't have another option.”

But whether there is enough optimism to sway key parties such as the EU and China – which have recently stated publicly that they do not expect a deal until the following year – remains to be seen.

ICTSD Reporting; “New climate chief: ‘no option’ but to take action,” THE ASSOCIATED PRESS, 9 June 2010.

US Senate Rejects Move to Limit EPA Authority on GHGs

The United States Senate has rejected a resolution by Senator Lisa Murkowski, a Republican from Alaska, which would have stripped the US Environmental Protection Agency (EPA) of its power to regulate greenhouse gas (GHG) emissions. While the EPA first acquired that power in a 2007 Supreme Court ruling that defined greenhouse gases as pollutants – and therefore applicable under the standing Clean Air

Act – Murkowski's resolution would have stripped greenhouse gases from this category, leaving carbon unregulated.

Murkowski wants Congress rather than the EPA to define a regulation system for carbon emissions, even as Congress shows little initiative on climate change legislation. Indeed, despite its rejection, some observers say Murkowski's resolution might have revealed just how little enthusiasm exists in the US Senate to regulate carbon emissions.

Narrow margin suggests apathy on emissions

The 10 June Senate rejection of Murkowski's resolution was by such a narrow margin – 47 in favour versus 53 against – that it seriously questions the US' political will to introduce limits on carbon emissions, such as through a cap-and-trade scheme. Because of internal rules on Senate debate, most legislation requires 60 votes to move to a vote; hence, unless there are 60 votes in favour, a single Senator can indefinitely postpone voting on a piece of legislation.

As a result, if one also reads Murkowski's resolution as a proxy vote for upcoming climate legislation, proponents of carbon limits are seven votes short from being able to pass a bill. Indeed, given that six of these seven votes were defections by Democrats – the party generally more sympathetic to carbon limits – the prospect for carbon limits looks particularly grim.

Reid, Kerry discuss next move

On the same day, Senate Majority Leader Harry Reid met with Democratic Senator John Kerry to strategise over how to push climate change legislation through the Senate. Though the details of that strategy are yet to leak to the public, the strategy was probably influenced by the vote on Murkowski's resolution.

While Senator Kerry supports cap-and-trade, and his recently proposed American Power Act would introduce such a scheme inside a bundle of other clean-energy initiatives – such as support for nuclear power – others in Congress look upon Kerry's approach with scepticism. For instance, Democratic Senator Chuck Schumer speculated

earlier in the week that if the Senate debates climate legislation, it will probably address cap-and-trade as a separate vote via an amendment, because cap-and-trade is so contentious. However, by separating cap-and-trade from more popular provisions, cap-and-trade might be even less likely to pass; conversely, such separation might also ensure the remaining provisions would be more likely to pass.

The choice of strategy much depends on the ambition and risk-aversion of the Senate Democratic leadership. Whether Kerry and Reid actually came to a conclusion on these procedural strategies at their 10 June meeting is unknown.

Short window of opportunity

Regardless of what strategy the Senate Democratic leadership undertakes, two things are clear as a result of Thursday's vote. First, in any strategy, carbon limits will be extraordinarily difficult to pass the US Senate. Second, in case the Senate does not pass carbon limits, the Environmental Protection Agency still has the power to regulate greenhouse gases on its own. The threat of such regulation from the EPA might yet goad Congress into devising its own emissions scheme.

Yet with forecasts predicting that the Democrats will lose many seats in both chambers of Congress this November, emissions limits have a short window of opportunity left. It still remains to be seen whether Democrats act conservatively to better defend against conservative criticism in the elections, or act liberally to push through their legislation before they no longer have the seats (President Obama's veto power would protect the legislation against repeal until at least 2012 if it were passed). Thus far, the Democrats seem to be leaning on the conservative side of that dilemma. Given that it takes 60 votes to pass most legislation in the US Senate, they may not have much of a choice.

ICTSD Reporting.

BIODIVERSITY

Governments Give Green Light to International Body on Biodiversity

Governments meeting in the South Korean port city of Busan have voted to establish an international body to monitor the destruction of the world's flora and fauna. If approved by the UN General Assembly, the Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES) will be an independent platform modelled on the Intergovernmental Panel on Climate Change (IPCC), which many credit with helping to catapult climate change to the forefront of the global agenda.

Plans to create the institution have been underway since May 2008, when a concept note was prepared and presented at the Convention on Biological Diversity's Ninth Conference of the Parties (COP 9) in Bonn, Germany. Several revisions have taken place based on input from an array of countries, scientific institutions, and civil society organisations from both the developed and developing world.

Challenges of multilateralism overcome

While the creation of the IPBES has been strongly supported by several countries, including France, Japan, and the UK, others have expressed concern over the cost of establishing such yet another intergovernmental body – particularly in the current economic climate. Another concern voiced by some countries relates to the extent of the IPBES's powers.

Thus, while many supporters were hopeful that countries would reach an agreement at the 7-11 June meeting in Busan, it was not a foregone conclusion. Those close to the development of the body expressed delight at the positive outcome.

"The dream of many scientists in both developed and developing countries has been made reality," said Achim Steiner, UN Under-Secretary General and Executive Director of the UN Environment Programme (UNEP), which coordinated the

Busan meeting. "Indeed, IPBES represents a major breakthrough in terms of organizing a global response to the loss of living organisms and forests, freshwaters, coral reefs and other ecosystems that generate multi-trillion dollar services that underpin all life—including economic life—on Earth".

Steiner also used the opportunity to applaud countries for their effort and dedication to the multilateral process, which has been doubted by some following the inability of countries to reach a global climate deal last December in Copenhagen, Denmark.

"It is also an important day for multilateralism in this, the UN's International Year of Biodiversity," Steiner said. "There remained disagreements between governments as they entered this week's third and final meeting...but nations put aside the smaller differences that divided them in favour of the far bigger areas of consensus that finally united them."

IPBES to act as "gold standard" research repository

The new body aims to carry out high quality peer reviews of science on biodiversity and ecosystem services emerging from research institutes across the globe. Organisers say the IPBES will allow governments to access reports that adhere to the body's "gold standard" of quality. These reports and assessments will come from a variety of sources, including various UN bodies, research centres, universities, and others relating to biodiversity and ecosystem services.

Because of the sheer number of institutions producing a myriad of studies – including the Millennium Ecosystem Assessment, the Global Biodiversity Outlook, and the Global Forest Resources Assessment – IPBES proponents say an international body is needed to ensure these are translated into meaningful and decisive action by governments on the ground and in global and national planning.

Other areas that will fall under the mantle of the IPBES include the identification and dissemination of cutting edge science on biodiversity, capacity building in developing

countries, unravelling the precise role of animals, plants, insects and even microbes within ecosystems and their functions in terms of the services generated – from water purification to soil fertility.

If the motion to create the IPBES is approved at the 65th session of the UN General Assembly, which opens in September, it will then be presented for endorsement by environment ministers attending the UNEP Governing Council/Global Ministerial at its next session scheduled for Nairobi, Kenya in February 2011.

ICTSD Reporting.

RENEWABLE ENERGY

EU Commissioners to Consider Energy Tax Overhaul

The European Union is set to consider a blanket energy tax that could make renewable fuels cheaper than traditional sources of energy. News of the potential policy shift broke last week when Reuters news agency obtained a draft European Commission document that outlines the proposed changes.

The proposed new tax, which would range from €4 to €30 per tonne of CO₂, could make a four percent contribution to the EU's climate goals, the document said. The tax would be phased in between 2013 and 2018.

Severe fiscal problems in Europe have opened up new political space for the introduction of new taxes, the document noted.

"The global financial and economic crisis has left deep strains on the public finances of most countries," said the draft document. "This...should play an important role in offering member states a basis...to shift the tax burden away from labour or capital."

Under the current EU tax regime - which generates roughly €240 billion in revenue each year - renewable fuels like solar power, biofuels

and wind energy are more expensive than fossil fuels like coal and natural gas.

“Standard taxation rules discriminate against renewable energies,” officials acknowledged in the Commission document.

The proposed tax would fundamentally change the way in which the European Union sets the value of its energy taxes. Currently, the taxes are based solely on the volume of the fuel in question; the new policy would make the level of tax contingent on the fuel’s energy density as well as the amount of carbon emissions associated with its use.

“What we would be considering doing is to restructure energy taxation so that there would be two elements to an energy tax, an energy component and a CO2 component. That’s the basic philosophy of the idea,” EU taxation spokeswoman Emer Traynor told journalists in Brussels last week, according to a report from the news agency Deutsche Presse-Agentur.

EU commissioners will discuss the proposed energy tax at a meeting on 23 June. The proposal will later be presented to the European Parliament and to member states, which would have to approve any changes before they could take effect.

20 percent vs. 30 percent

In related news, the European Commission has issued a new communication analysing how the bloc might move forward on climate change in light of the results of the major climate conference in Copenhagen last December.

The communication compares the potential impacts of two emissions reductions goals that have been under discussion in the EU: a 20 percent cut from 1990 levels, and a more ambitious 30 percent cut.

For now, it seems, the EU is sticking to its 20 percent target, which is the bloc’s official policy. But the 30 percent goal - which was under serious consideration late last year - has not been set aside.

The communication acknowledges that the ongoing economic downturn has put “huge pressure onto businesses and communities” and “huge stress on public finances” across Europe. It also cites the “disappointment” of failing to achieve a binding international agreement in Copenhagen. “But the need for [climate] action is as valid as ever,” it concludes.

The communication discusses “possible options to reach the 30 percent target,” including through carbon taxes.

“The introduction of taxes that target CO2 emissions in sectors not covered by the ETS [Emissions Trading Scheme] represents a straightforward market-based instrument to incentivise lower emissions at the national or European level,” the communication states.

The document also discusses ways to stem “carbon leakage” - the shifting of emissions to countries outside the EU that have relatively lax climate regulations. The communication cites three approaches on this front: supporting European industries through free carbon allowances; “adding to the cost of imports” from countries that do not adopt strict mitigation measures; and taking steps to “bring the rest of the world closer to EU levels of effort.”

The second option - border carbon adjustment - is highly controversial within the EU, although such measures have not been ruled out. The communication cites several potential stumbling blocks to the implementation of BCAs, including logistical and political complications. The communication concludes that such a system “could at best only be envisaged for a limited number of standardised commodities.”

Connie Hedegaard, European Commissioner for Climate Action, acknowledged late last month that border carbon measures remain a “tool in the toolkit,” but stressed that the implementation of such policies could pose significant challenges.

“How are we going to do it? If you think it through it is extremely complicated,” she said, according to a report from DPA.

ICTSD reporting; "Exclusive: EU debt crisis boosts chance of energy tax overhaul," REUTERS, 1 June 2010; "Commission to propose EU 'green tax' on energy in late June," DEUTSCHE PRESSE-AGENTURE, 2 June 2010; "EU should impose 'carbon tax' on developing countries, study finds," DEUTSCHE PRESSE-AGENTUR, 31 May 2010.

FISHERIES

Japan Begins Summer Whale Hunt as Australia Launches Legal Action

The Australian government has initiated a lawsuit against Japan at the International Court of Justice, arguing that the whaling nation should not qualify for the scientific exemption allowed under a 1986 ban. Canberra says the research rationale is being used as a loophole to circumvent the international agreement and allow commercialisation of whale meat.

Australian officials say they are taking the issue to the UN legal organ because they have not made sufficient progress through the International Whaling Commission, the international body charged with regulating the industry. The Australian suit alleges that despite "numerous recommendations" issued by the IWC, Japan has "refused to comply" with any of them.

The Australian motion asks for a complete injunction on scientific whaling in the Southern Ocean, where confrontations between Japanese whaling vessels and activists have been escalating in recent years. Peter Bethune, a New Zealander with the anti-whaling group Sea Shepherd, is currently facing five charges in a Tokyo District Court in connection with the boarding of a Japanese vessel in the Antarctic.

New Zealand, which has also been critical of the Japanese hunt, has said it would decide within weeks whether it will file a similar case.

Japan, a major trading partner of both Australia and New Zealand, called the suit "extremely regrettable," adding that it would staunchly defend

its right to hunt. "We cannot accept Australia's argument at all," ministry official Yutaka Aoki told the Associated Press. "We will firmly respond to the lawsuit."

Loopholes

Despite a global moratorium, Iceland, Norway, and Japan have managed to continue whaling by exploiting certain loopholes in or reservations to the moratorium, such as subsistence for aboriginal communities and scientific research purposes. Japan maintains a sizeable quota through the latter allowance.

Under the scientific research exemption, excess whale meat not used for this official purpose is permitted to be sold for consumption domestically, although international sales are banned. However, the validity of Japanese whaling research claim has come under question recently as whale meat from the programme was found in international markets, such as the US and South Korea.

Under the Vienna Convention on the Law of Treaties, Japan is obliged to refrain from catching any whales exclusively for commercial purposes, as it is a signatory to the International Convention for the Regulation of Whaling (ICRW). Australia contends that Japan has breached its "good faith" obligation on the issue.

"Japan's continued pursuit of a large scale programme of whaling under the Second Phase of its Japanese Whale Research Program under Special Permit in the Antarctic ("JARPA II") [is] in breach of obligations assumed by Japan under the International Convention for the Regulation of Whaling, as well as its other international obligations for the preservation of marine mammals and marine environment," the suit reads.

Timing

The lawsuit comes at a sensitive time as the IWC is preparing for a major meeting set to take place in Morocco from 21 to 25 June. The international body has come under scrutiny as members prepare to vote on a controversial draft proposal that would allow limited commercial hunting for

the first time since the 1986 ban was implemented (see Bridges Trade BioRes, [30 April 2010](#)).

Despite the Australian suit and the imminent IWC meeting, Japan launched a summer whaling expedition on 9 June with an expected harvest of 260 whales from the Northwest Pacific. Types of whales to be targeted include 100 minke whales, 100 sei whales, 50 Bryde's whales and 10 sperm whales.

Staffed by more than 200 crew members, the fleet will be comprised of three harpoon and two research ships.

Conservationists have called the timing of the hunt insulting. "Generally their scientific whaling has been against the spirit of the negotiations for a compromise and this hunt like their Antarctic hunt is unacceptable," Nicola Beynon of Humane Society International told the Australian Broadcasting Corporation. "To be doing it when governments are trying to reach a compromise over the future of whaling it is just adding insult to injury."

More information

A copy of the Australian complaint can be accessed [here](#).

An International Court of Justice press release on the suit can be accessed [here](#).

ICTSD Reporting; "Japan fleet set sail on Pacific whaling trip," ASSOCIATED PRESS, 9 June 2010; "Condemnation as Japan starts summer whaling hunt," AUSTRALIA NETWORK NEWS, 9 June 2010; "Australia sues Japan over controversial whaling," ASSOCIATED PRESS, 1 June 2010; "Australia brings ICJ suit to end Japan whaling practice," JURIST, 1 June 2010.

BIOFUELS

The Nuts and Bolts of the EU Biofuel Sustainability Criteria

On 10 June, the European Commission released new documents to help operationalise standards ensuring that biofuels used in the EU are sustainable. In related news, the Roundtable on Responsible Soy, a multi-stakeholder initiative promoting sustainable soy – including soy oil used as biofuel – adopted a set of voluntary sustainability standards. The initiative, however, splits both private sector actors and green groups.

At the end of 2008, the EU adopted its Renewable Energy Directive (RED), under which member states are required to derive ten percent of their transport fuels from renewable sources by 2020. In practice, this quota will mainly be filled through the use of biofuels. However, biofuels – once considered a win-win solution for addressing climate change, dealing with agricultural overproduction, and providing new livelihood opportunities – have come under heavy criticism due to real and potential unintended negative side effects. In fact, they have generally fallen out of favour with most environment and development groups.

To address such issues, the EU decided that in order to qualify for the RED quota, any biofuel would have to fulfil a number of criteria to ensure its sustainability. Notably, they must be at least 35 percent more carbon efficient than fossil fuels, and cannot be derived from cleared forest or wetlands. Indirect land use changes resulting from the biofuels production are not considered. The same requirements would apply to domestic and imported biofuels.

Certifying sustainable biofuels

The new circulars released by the Commission provide more detail with regard to how the sustainability criteria will be operationalised – on how to calculate greenhouse gas savings, which must be beyond certain thresholds, on how to ensure that the feedstocks have not been grown on biodiversity-rich and forested lands, etc. It

specifically excludes palm oil from plantations on land that was previously forested.

As such, they encourage the establishment of voluntary certification schemes in which the biofuels would be followed from their point of production through the full value chain to the pump at the petrol station. The schemes, which would need Commission approval, could be set up by actors from industry, NGOs, or governments. An independent audit of the systems would be required.

Green groups were not impressed by the new details provided by the Commission. Instead, they took the opportunity to restate their concerns about the scheme as a whole.

"Europe's policy on biofuels is inherently unsustainable," said Adrian Bebb, food and agriculture campaigner at Friends of the Earth Europe. "It is driving deforestation, damaging the environment, creating more greenhouse gas emissions, increasing hunger and encouraging rampant land-grabbing in the South. It will take a lot more than a few criteria and voluntary schemes to make them sustainable. The EU should abandon this folly and invest in genuine energy reductions in the transport sector."

How achieve sustainable soy production?

On 11 June, the Roundtable on Responsible Soy (RTRS) met in Brazil, where they adopted a set of principles and criteria for sustainable soy production. These had been field tested over the past year, and included criteria on issues such as respecting laws and land tenure in areas of production, labour rights, and taking environmental precautions – including to avoid clearance of native forests and high conservation value areas.

The RTRS now has 140 members from all segments of the supply chain, and environment organisations such as WWF and the Nature Conservancy. However, some large suppliers remain outside the initiative, as do a number of environmental groups, such as Friends of the Earth.

Following the meeting, WWF welcomed the progress made with the adoption of the principles and criteria for responsible soy – which could, in principle, fulfil the requirements for a certification system as outlined by the European Commission.

"The results of the field tests show that the standards are practical and can be implemented," said Cassio Moreira, Coordinator of WWF Brazil's Agriculture and Environment Programme. "Now producers need to start the certification process and buyers need to demand RTRS certified soy as soon as possible, so that the market starts moving and the share of soy under responsible cultivation expands."

Friends of the Earth – speaking for 235 civil society organisations – panned initiative, however. The groups said using soy-based fuels to fulfil the EU biofuels target would lead to unsustainable consequences and would increase, rather than decrease, greenhouse gas emissions.

Soy is also exported to be used as animal feed, and the green groups urged a fundamental rethink.

"Rather than giving a 'responsible' label to an irresponsible product, we must overhaul factory farming in Europe," argued Kirtana Chandrasekaran from Friends of the Earth International. "This would be good news for farmers, consumers and the environment and will reduce Europe's global footprint."

ICTSD Reporting; "Biofuels: No Sustainability in Sight," FOE RELEASE, 10 June 2010; "Commission sets up system for certifying sustainable biofuels," EU RELEASE, 10 June 2010; "EU Says Biofuel Environmental Standards Should Be Certified," WALL STREET JOURNAL, 10 June 2010; "Brussels seeks to tighten rules on biofuels," FINANCIAL TIMES, 10 June 2010; "Soy industry members agree to environmental safeguards for responsible production," WWF RELEASE, 11 June 2010; "Launch of 'responsible soy' label faces global opposition," FOE RELEASE, 8 June 2010.

IN BRIEF

Bluefin Tuna Season Cut Short as Quotas Met Early

With quotas met earlier than expected, the European Commission (EC) has slammed the door on the bluefin tuna fishing season for purse seiners. Environmental groups have applauded the EC for strictly enforcing quotas, but argue that the need for early intervention points to the excessive capacity of the European fleet.

“That EU purse seine fleets have in the space of a week caught their whole annual quota of bluefin tuna in the Mediterranean is further proof that these boats are simply not appropriate for this fishery and that the whole operation is entirely unsustainable – not to mention economically unviable,” said WWF’s Sergei Tudela in a press release.

Environmental groups such as WWF and Oceana have long argued that European fisheries subsidies have led to a bloated fishing fleet that is competing over too few resources. “The fact that these high-tech vessels are kept idle in port for more than 50 weeks a year is a total absurdity and shows the boats’ non-compatibility with a fish stock that is heavily depleted and in urgent need of recovery,” Tudela said.

The EC had set aside 15 May to 15 June as an appropriate span of time to allow fisheries to land the designated quota. However, poor weather prevented fishing fleets from participating for the initial 10-14 days. Still, despite this delay, a spokesman for EU Fisheries Commissioner Maria Damanaki announced on 9 June that a ban on purse seiners would be implemented at midnight. The spokesman cited the need to protect “fragile” bluefin tuna stocks.

Purse seine fishing vessels use large nets that can be used to encircle an entire school of fish. The nets are equipped with a bottom line that draws the net closed. Purse seiners are responsible for some 70 percent of the bluefin tuna catch.

Under the ban, Spanish, Greek, and French vessels are forbidden to have onboard, put in fattening or breeding farms, tranship, transfer or land bluefin tuna for the rest of the bluefin fishing season. Because the EC does not have the authority, the ban does not apply to non-European purse seiners, which account for approximately half of the bluefin catch, according to WWF. Non-purse seiners are also not affected by the ban.

Last March, several countries attempted to have bluefin tuna added to Appendix I of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), which would have resulted in an automatic trade ban. However, the bid was unsuccessful, leaving the management of the fish in the hands of the Madrid-based International Commission for the Conservation of Atlantic Tunas (ICCAT).

ICCAT will have a special meeting of the Commission from 17-27 November in Paris, France.

ICTSD Reporting; “EU halts bluefin fishing season early,” THE INDEPENDENT, 10 June 2010; “EU To Ban Bluefin Tuna Fishing From June 10,” REUTERS, 10 June 2010; “EU industrial tuna fishing boats reaching quota in a week is sign of massive overcapacity: WWF,” WWF PRESS RELEASE, 9 June 2010; “Oceana applauds early closure of bluefin tuna fishery,” OCEANA PRESS RELEASE, 9 June 2010.

Lamy Stresses Importance of Trade Liberalisation on World Environment Day

WTO Director-General Pascal Lamy released a statement on World Environment Day, 5 June, lauding the WTO’s work on environmental issues. In his speech, Lamy emphasised the importance of trade liberalisation in the context of protecting the environment, and the need for “global solutions.”

Lamy spoke at length about the WTO’s role in global efforts to protect the environment, saying that the “leaders that founded our organisation

were adamant that sustainable development lies at the very core of our mission.” He added that governments have agreed to allow WTO members the flexibility to pursue their environmental goals.

To further his defence of trade liberalisation, Lamy gave a series of examples of how trade could benefit the environment. For instance, countries with scarce water resources could save water by purchasing water-intensive agricultural products from abroad, he noted.

He also briefly addressed fears about how economic growth, spurred on by trade, could lead to increased energy use and higher levels of carbon dioxide emissions. While acknowledging this possibility, he asserted that ships, which leave “a smaller CO₂ footprint than any other form of transportation,” currently move 90 percent of trade.

This statement reinforces the Director-General’s recent comments on the role that the environment should play in WTO projects. In an interview last week with *The Economic Observer*, Lamy mentioned that “better access to green goods and services can help the transition to a low carbon economy,” adding that this was one of the goals of the Doha Development Agenda.

Lamy made sure to clarify in a recent news conference that finalising the list of environmental goods that would receive special treatment in an eventual Doha Round trade pact would be a complex process. However, he also expressed confidence that an environmentally friendly agreement would emerge from the negotiations, given that “countries have a strong interest in improving the efficiency of their economies by opening their markets to environmental goods or related services.”

The WTO has long argued that trade and the environment do not necessarily have to be competing forces. The Marrakesh Agreement, which established the WTO, recognises sustainable development as a core principle, and the ongoing Doha Round negotiations include explicit provisions regarding the environment.

However, WTO critics – such as environmental advocacy group Food & Water Watch – say that

free trade, specifically in the form of FTAs, “undermine[s] government policies that protect local farmers, the environment, and maintain a country’s agricultural self-sufficiency.” They especially criticise the WTO for ruling that certain environmental labels on food could be considered forms of protectionism. Other organisations, such as Greenpeace, claim that – in cases where the WTO does have to decide between fostering free trade and protecting the environment – trade tends to win.

World Environment Day occurs on 5 June of each year, and has been recognised since 1972. The theme of this year’s event was “Many Species. One Planet. One Future,” given that 2010 is the International Year of Biodiversity.

ICTSD reporting; “Economic Observer Exclusive: Interview with Pascal Lamy,” *THE ECONOMIC OBSERVER*, 3 June 2010; “WTO’s Lamy sees trade pact posting green goods,” *REUTERS*, 20 May 2010.

New Data Shows Energy Subsidies Vastly Higher than Estimated

World spending on energy subsidies topped US\$557,000 million in 2008, according to a brief released on 9 June by the International Energy Agency (IEA). Their numbers showed subsidies to be 75 percent higher than previous estimates.

The world’s spending on subsidies also showed a massive increase from the previous year, which the IEA placed at US\$342,000 million.

OECD Secretary-General Angel Gurría strongly criticised this level of spending, calling it a “wasteful use of scarce budget resources,” according to *Agence France-Presse*.

While the IEA brief recommends cutting these trade-distorting energy subsidies, it made sure to emphasise that policies to phase out subsidies for electricity, kerosene, and liquefied petroleum gas (LPG) should not restrict access to essential energy services for the poor.

The IEA estimates that phasing out these subsidies between 2011 and 2020 would decrease global energy demand by 5.8 percent and reduce carbon dioxide emissions by 6.9 percent. Their work shows that the price increases resulting from this phase-out will lead to improved efficiency in energy use, along with a switch to alternative energy sources.

The IEA studied 37 countries to produce the brief. These countries combined represent 95 percent of global subsidised fossil-fuel consumption.

The IEA is an intergovernmental organisation that acts as an energy policy adviser to its 28 member countries. Their analysis will be incorporated into a larger report, which is being compiled jointly by the IEA, the OECD, the World Bank, and OPEC in preparation for the G20 Leaders' Summit taking place from 26-27 June in Toronto, Canada.

This report is being prepared due to a request made by G20 leaders at their meeting in Pittsburgh in September of last year. At that meeting, leaders agreed to "rationalize and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption." Leaders also asked these organisations to collaborate in providing "an analysis of the scope of energy subsidies and suggestions for the implementation of this G20 country initiative."

The OECD also released two background papers on this subject last month, in preparation for the G20 Summit.

Meanwhile, the EU is getting ready to consider a blanket energy tax that could make renewable fuels less expensive than traditional sources of energy, giving consumers an added incentive to switch from fossil fuels to less harmful alternatives (see related story, this issue). The European Commission has drafted a document outlining the potential timetable for this tax, along with how much of a contribution it might make toward meeting the EU's climate goals.

More information

The brief, outlining the key findings of the IEA energy subsidy analysis, can be found [here](#). The

full analysis will be presented in the World Energy Outlook (WEO) 2010 (to be released in November).

The OECD background papers on fossil fuel subsidies can be accessed [here](#).

ICTSD reporting; "Cutting fuel subsidies will cut CO2 emissions: OECD," AGENCE FRANCE-PRESSE, 9 June 2010; "IEA counts \$550bn energy support bill," FINANCIAL TIMES, 6 June 2010.

National Geographic Grades Countries on Sustainable Consumption

India, Brazil, and China took a commanding lead in National Geographic's third annual "Consumer Greendex" survey, with the US trailing in last place. The Greendex aims to reflect the level of sustainable behaviour by consumers in countries around the world.

This year's survey, which National Geographic released on 3 June in collaboration with opinion research consultancy GlobeScan, studied 17,000 consumers in a total of 17 countries. According to the report, environmentally friendly behaviour among consumers in ten of those countries has improved over last year's results.

Developing countries overall ranked highest in terms of consumers with sustainable lifestyles, while industrialised countries held the bottom six positions in the rankings.

According to the National Geographic, the goal of the survey was to learn how people are "taking action to preserve our planet by tracking, reporting, and promoting environmentally sustainable consumption and citizen behaviour."

The survey profiles consumer behaviour in 65 areas. One of these areas involved the buying of locally grown food, which increased a country's placement on the Greendex. In contrast, having a high number of consumers that primarily bought imported food decreased a country's score.

The local food movement has become increasingly popular in many developed countries in recent years, both for its purported environmental and local economic benefits. Proponents – such as the New York-based organisation Sustainable Table – argue that “buying local” minimises energy consumption because of reductions in the amount of fossil fuels used in transporting, processing, and packaging food, along with producing chemical fertilisers and pesticides.

Other factors that led to higher scores included the use of renewable energy in the home, along with minimising home energy use, and the use of public transportation as opposed to personal vehicles. With regards to food, other factors studied included drinking bottled water, levels of beef and seafood consumption – all considered negative indicators on the Greendex.

The survey also examined what barriers were preventing consumers from engaging in more sustainable behaviour. Their results found the two biggest concerns to be the suspicion of “greenwashing” – a term used to refer to companies falsely claiming that their products are environmentally-friendly, along with the concern that governments and industries are not doing enough to protect the environment.

The countries surveyed for this report were Argentina, Australia, Brazil, Canada, China, France, Germany, Great Britain, Hungary, India, Japan, Mexico, Russia, South Korea, Spain, Sweden, and the US.

National Geographic’s Greendex can be found [here](#).

ICTSD reporting.

EVENTS AND RESOURCES

Events

For a more comprehensive list of events for the trade and environment community visit the BioRes [online calendar](http://ictsd.net/news/biores/events/), <http://ictsd.net/news/biores/events/>.

Coming up in the next two weeks (11-25 June)

14-17 June, Sannäs, Finland. 4S SUMMER SYMPOSIUM ON SUSTAINABLE SYSTEMS: HARMONISING POLICY, TECHNOLOGY, PRODUCT DESIGN AND RESOURCE MANAGEMENT. This symposium at Aalto University aims to bring together motivated researchers and high level keynote speakers with an interest in interdisciplinary systemic approaches to complex issues under the theme of closed-loop sustainable material systems. It will be in the form of a workshop with one of the main goals being to establish an international and interdisciplinary network of researchers with sustainability as a research interest. Researchers working on their doctoral thesis or post-doctoral activities are encouraged to apply; selection of participants will be made by the scientific steering committee. For more information, visit the [symposium website](#).

15 June, Berlin, Germany. CLIMATE GOVERNANCE CONFERENCE: ADDRESSING CLIMATE GOVERNANCE RISKS IN A NEW CLIMATE REGIME: KNOWLEDGE, ECONOMY AND EQUITY PARADIGMS. The Centre for Economic, Environmental and Social Statistics of InWEnt - Capacity Building International, Germany, and Transparency International are co-hosting this conference, which aims to provide an international forum for experts and decision-makers of the development and climate community, along with interested members of the general public. Having such a forum, conference organisers say, will be an opportunity to bring together a variety of perspectives on climate governance, especially given the upcoming COP 16 in Cancun. For further information, or to register, visit the [conference website](#).

15-17 June 2010, Belfast, UK. SUSTAINABLE OCEAN SUMMIT. The World Ocean Council, an international business leadership alliance on ocean sustainability and stewardship, has created the Sustainable Ocean Summit (SOS) in order to catalyse the growing interest among ocean businesses for more effective leadership and collaboration in addressing ocean environmental challenges. It will bring together a wide range of international industries that use marine space and resources to consider major ocean policy developments and sustainability challenges affecting the future of responsible commercial activities in the seas. For more information, visit the [Summit website](#).

16-17 June, Geneva, Switzerland. MEETING ON FISHERIES, TRADE AND DEVELOPMENT. This meeting - co-organised by ICTSD and the UN Environment Programme (UNEP) - will explore the trade and development linkages of the global fisheries sector. The fishery sector is a cornerstone of food security, particularly in developing countries. However, with 80 percent of the world's fisheries being exploited up to or beyond their biological limits, the sector is in crisis. Topics to be explored during this two-day meeting include the crisis of shrinking fish stocks, fisheries subsidies, developing country exporting opportunities, sustainable aquaculture, and aid for trade. For further information, visit the [meeting's website](#).

16-18 June, Kuala Lumpur, Malaysia. PROGRAMME FOR THE ENFORCEMENT OF FOREST CERTIFICATION SCHEMES (PEFC) STAKEHOLDER DIALOGUE. This dialogue seeks to provide an overview of the development of forest certification in the Asia Pacific region and to discuss the relevance and appropriateness of the draft revised international criteria at a regional and national level. PEFC is the world's largest forest certification system. For further information, refer to the [Dialogue website](#).

16-18 June, Geneva, Switzerland. TAIT 2 TRADE AND CLIMATE CONFERENCE – CLIMATE CHANGE, TRADE AND COMPETITIVENESS: ISSUES FOR THE WTO. The Centre for Trade and Economic Integration (CTEI) at the Graduate Institute of International and Development Studies in

Geneva, in collaboration with the WTO and the World Bank, will be hosting a three-day conference on the linkages between climate change and trade issues. Given the fear that governments could begin allowing climate-related trade conflicts to undermine support for the rules-based system, conference organisers hope to bring together the best available research on all aspects of that problem, along with outlining all the major categories of solutions, and overall fostering a thorough discussion among scholars and stakeholders of the options. Topics discussed will include the impact of climate change on trade patterns, climate-linked policies, trade and development, and the eco-legal interface between climate-linked tariffs and subsidies, among others. For more information, please visit the [event's website](#).

18 June, London, UK. COMMUNICATING CLIMATE CHANGE IN AFRICA: CHALLENGE AND OPPORTUNITY. This panel discussion, hosted by the Overseas Development Institute, will focus on the role of media and communication in supporting the response to climate change in developing countries. Other topics of interest will include communication priorities for climate change in Africa and the developing world, and Africa's potential to take a leading role in educating and driving the global response to the climate challenge. The panel will include speakers from Forum for the Future and the BBC World Service Trust. For more information, or to register, please refer to the [discussion's website](#).

22-23 June, Singapore, Singapore. CARBON MARKETS ASIA. This conference aims to bring together all those who are working in carbon markets in the region to examine how the industry has changed since Copenhagen, and to discuss how the market can move forward successfully. Participants will include policymakers, project developers, trades, and other carbon professionals. Topics of discussion will include the development of emissions trading schemes in Asia, the US as a new market place for Asian carbon credits, and the relative potential of existing and new markets for carbon offsets now and in the future, among others. This event is being hosted by Green Power Conferences. For more information, please visit the [event's website](#).

21-24 June, Steyning, UK. TRANSITING TO A LOW CARBON ECONOMY: HOW TO MAKE SUCCESSFUL POLICY AND REGULATION HAPPEN. This conference, held by Wilton Park in co-operation with the Renewable Energy and Energy Efficiency Partnership and with support from the International Confederation of Energy Regulators, will focus on best practices for forming policy to promote renewable energy and energy efficiency. Topics discussed will include linkages between economic development, energy security, and the future energy matrix of a country; institutional and structural barriers for effective deployment of renewables and energy efficiency, and other related topics. For more information, please visit the [event's website](#).

24-25 June, London, UK. ILLEGAL LOGGING UPDATE AND STAKEHOLDER CONSULTATION NUMBER 16. This meeting, one of a series organised by Chatham House, is open to all interested members of the public. The event's preliminary agenda includes updates on the EU's Forest Law Enforcement, Governance and Trade (FLEGT) initiative, progress with Voluntary Partnership Agreements in central Africa, Ghana, and Indonesia, and research, country, and private sector updates, among other topics. For more information, or to register, please refer to the [meeting's website](#).

24-25 June, New York, US. UN GLOBAL COMPACT LEADERS SUMMIT 2010: BUILDING AN ERA OF SUSTAINABILITY. The UN Secretary General Ban Ki-Moon will be hosting this summit, which aims to provide a platform for organisations to use in working towards a new era of sustainability. The event will be divided into three parts: setting the sustainability agenda, leading the change, and achieving development. For more information, please visit the [Summit website](#).

Other Upcoming Events:

10-16 July, Montreal, Canada. RESUMED NINTH MEETING OF THE AD HOC OPEN-ENDED WORKING GROUP ON ACCESS AND BENEFIT-SHARING. The mandate to negotiate an international regime on access and

benefit-sharing was established at the Convention on Biological Diversity's Seventh Conference of the Parties (COP 7) in 2004. At COP 9 in 2008, the Ad Hoc Open-ended Working Group on Access and Benefit-Sharing was instructed to finalise these negotiations by COP 10, taking place this October in Nagoya, Japan. This meeting will attempt to complete unfinished work from COP 9 to prepare for Nagoya. For more information, please visit the [event's website](#).

8-9 September, Mexico City, Mexico. CARBON MARKETS AND CLIMATE FINANCE MEXICO AND CENTRAL AMERICA. This two-day conference will focus on creating a networking platform for the Mexican and Central American carbon market industry, policy makers and potential investors so that they can examine growth strategies for the market, as well as investment options and regional policy movements. Delegates will learn from best practice case studies from both mature and emerging markets, and will learn about the region's progress in this field in preparation for the upcoming UNFCCC Conference of the Parties in Cancun, Mexico. The event is being hosted by Green Power Conferences. For more information, please visit the [conference website](#).

27-29 October, New Delhi and Uttar Pradesh, India. FOURTH INTERNATIONAL RENEWABLE ENERGY CONFERENCE (IREC). This IREC will be the fourth global ministerial conference on renewable energy. It will consist of a ministerial meeting, business-to-business and business-to-government meetings, side events (symposia, sectoral seminars and workshops), along with a trade show/exhibition. This conference is part of an initiative that was taken at the 2002 World Summit on Sustainable Development in Johannesburg, acknowledging the role of renewable energies in sustainable development, such as for combating poverty, protecting the environment, and fighting climate change. For more information, please visit the [event's website](#).

8-10 November, Stockholm, Sweden. CLIMATE ADAPTATION IN THE NORDIC COUNTRIES: SCIENCE, PRACTICE, POLICY. This conference aims to meet the growing demand for knowledge sharing on

climate adaptation in the Nordic countries. The event's focus will be the linkages between adaptation science, practice, and policy. Conference organisers say that they hope the event will deliver insights for a socially relevant research agenda that will advance the emerging science of adaptation, while meeting the need of practitioners and policymakers. For further information and updates, please visit the [conference website](#).

Resources

If you have a relevant resource (books, papers, bulletins, etc.) you would like to see announced in this section, please forward a copy for review by the BioRes staff to Andrew Aziz at aaziz@ictsd.ch.

[ELEPHANT IN THE ROOM: THE NEW G77 AND CHINA DYNAMICS IN CLIMATE TALKS](#). By Antto Vihma (Finnish Institute of International Affairs, May 2010). The International Politics of Natural Resources and the Environment Research Programme at The Finnish Institute of International Affairs (UPI-FIIA) have released a briefing paper discussing the divergence within the G77 coalition on climate change politics. It goes on to discuss the North-South divide, and elaborates upon China's relationship with the G77. It also mentions China's role in influencing the climate position of the other BASIC bloc countries – Brazil, India, and South Africa. This paper uses the Copenhagen Summit, and subsequent Accord, as the context for this discussion.

[FORESTS AND CLIMATE CHANGE AFTER COPENHAGEN: AN ASIA-PACIFIC PERSPECTIVE](#). Food and Agriculture Organization for the United Nations (FAO) and RECOFTC – The Centre for People and Forests, May 2010. This report presents the results of a joint meeting in Bali, hosted by FAO and RECOFTC, of twelve regional and international experts. These experts discussed and answered questions that forest stakeholders have been asking following the UNFCCC's COP 15 negotiations, and debated some of the key issues that foresters and forestry institutions will face in

developing climate change policies and strategies. Many of the questions focus specifically on REDD, and the progress made during COP 15, along with the implications of COP 15's inability to create a binding agreement.

[HOW TO ENSURE CLIMATE CHANGE FINANCE REALLY IS "NEW AND ADDITIONAL"](#). By Martin J. Stadelmann, J. Timmons Roberts, and Saleemul Huq. (International Institute for Environment and Development, June 2010). This paper, which was formally launched at a side event during the UN climate-change negotiations in Bonn, calls for a UN-based system to define baselines from which to count new funds for climate change, along with monitoring pledges and payments. The authors argue that such a system is essential if developed nations wish to regain the trust of developing nations so that they can set up a global climate deal.

[INTAL MONTHLY NEWSLETTER](#). By the Institute for the Integration of Latin America and the Caribbean. The INTAL Monthly Newsletter disseminates news on events and regulations concerning the evolution of integration processes in the different regional blocs, and publishes bibliographic reviews, publications on integration on the web and the programming and description of INTAL and IDB activities regarding integration. It is a monthly publication in three languages: Spanish, English and Portuguese.

[THE MERIT OF SECTORAL APPROACHES IN TRANSITIONING TOWARDS A GLOBAL CARBON MARKET](#). By Noriko Fujiwara, with contributions from Anton Georgiev and Monica Alessi. (Centre for European Policy Studies, May 2010). This new report discusses how sectoral benchmarks can be used for setting caps or free allocation, or can become a catalyst for linking carbon markets, given that these benchmarks might be the strongest link between the EU emissions trading scheme and sectoral approaches. It goes on to explain how, under the UN Framework Convention on Climate Change (UNFCCC), there would be a hybrid range of agreements and mechanisms that would make sectoral approaches operational. The authors also found multiple ways to strengthen these sectoral approaches.