



# Bridges Trade BioRes

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

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## NOTE TO SUBSCRIBERS

The WTO will be holding its annual public forum on "The Forces Shaping World Trade" from 15-17 September. ICTSD will be providing updates from the sessions on the [Bridges Twitter Page](#).

- *The BioRes Team*

## CLIMATE CHANGE

### Geneva Meeting Pushes Climate Finance to Top of Cancun Agenda

Last week, Ministers and other high level officials made progress on establishing the details of how hundreds of billions of dollars in climate aid will be raised and distributed at an informal meeting in Geneva, Switzerland.

The meeting – co-hosted by Switzerland and Mexico – aimed to clarify the status of the billions of dollars to support climate mitigation and adaptation in developing countries pledged by developed countries last December in Copenhagen. Due to the frank and open discussion that prevailed at the meeting, the funding issue now appears poised to play a prominent role in the upcoming UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) in Cancun, Mexico this December.

Under the Copenhagen Accord, developed countries pledged US\$30 billion in so-called “fast-track” climate funding to help developing countries finance the initial moves toward greenhouse gas reduction for the period 2010-2012. A larger goal of US\$100 billion in annual long-term financing was also targeted for 2020. The Copenhagen Accord, although non-binding because it was unable to gain unanimous support by all signatories of the Climate Convention, is

considered an indicative pledge by the 138 countries that have subscribed to its content.

Notably, ministers from a number of key countries in the climate change discussions – including Australia, China, South Africa, and the UK – were not present at the Geneva meeting.

### **US says funding issue is one element of climate “package”**

Climate talks in the months since Copenhagen have produced little meaningful progress, and economic issues continue to highlight the ongoing divide between developed and developing country positions. Christina Figueres, the UN’s climate chief, said the funding issue was the “golden key” to convincing poor nations that developed countries are serious about addressing climate change.

Jairam Ramesh, India’s environment minister also underscored the need of tackling funding to allow UNFCCC talks to move forward.

“I doubt whether the Copenhagen logjam is broken,” said after the Geneva meeting, referring to the final hours of last year’s climate conference when parties were unable to reach consensus. “The single most important trigger for success at Cancun is the funding.”

Patricia Espinosa, Mexico’s foreign minister assured those attending the meeting that there was still time to agree on the details of a new climate fund – sometimes referred to as the Green Fund proposal – before the December COP. However, Espinosa’s optimism was tempered by the insistence of the United States that related issues – including curbs on greenhouse gasses and monitoring of national pledges – be agreed upon before any fast start funding flows.

“It has to be part of a package,” US climate envoy Todd Stern told reporters Friday.

### **Details of the fund**

The possible details of the fund were discussed by breakout groups over the 2-3 September meeting. Considerable discussion was given to the role of the private sector in the fund. Countries generally

agreed that private sector funding should compliment public commitments to the fund. But while some developed countries stressed the potential of the private sector for generating new funds, developing countries continued to emphasise, as they have throughout negotiations, that public financing be the main source.

Regarding management of the fund, the World Bank continues to be the developed countries’ institutions of choice, as they consider it one of the few institutions with the requisite fiduciary standards, safeguards and experience. However, developing countries disfavor the Bank where they say decision-making is not equitably distributed and a significant percentage of pledged financing remains with developed country consultants and bidders. Instead, they say they would prefer to see the fund managed by the UNFCCC itself or though some other independent body, a model successfully tested by the Montreal Protocol, an twenty year old environmental agreement established to address depletion of the ozone layer.

Discussion also delved into the source of public funding with a call from developing countries for greater transparency to ensure cash for the fund is not composed of “recycled” funds transferred from existing development projects. The Copenhagen Accord calls on developed countries to provide “new and additional resources” for the fund, but some countries – notably the UK – have said that fast start funding would not be additional to official development assistance (see Bridges Trade BioRes, [30 April 2010](#)).

The Netherlands has launched a website – backed by the UN – that aims to track whether developed countries are honouring their fast start funding pledges. The site currently lists only six “Contributing Countries:” Denmark, France, Germany, the Netherlands, Norway, and the UK.

The next round of UNFCCC talks will take place in Tianjin China from 4-9 October, and the Cancun COP will kick off on 28 November. Earlier expectations that parties could reach a comprehensive deal by Mexico are increasingly dubious as many issues are still unripe for agreement.

## Additional information

The Dutch government's website for tracking fast start financing can be accessed [here](#).

ICTSD Reporting, "Nations rethink Copenhagen commitment on climate funding," THE FINANCIAL EXPRESS, 7 September 2010; "Summary of the Geneva Dialogue on Climate Finance: 2-3 September 2010," GENEVA DIALOGUE ON CLIMATE FINANCE BULLETIN, 5 September 2010; "Greater clarity on climate finance at 46-nation forum," AFP, 5 September 2010; "Progress seen on 'Green Fund' for climate deal," EURACTIVE, 6 September 2010.

## FISHERIES

### EU Suspends Controversial Seal Products Trade Ban

A European Union ban on the importation of seal products was suspended on 19 August, amid pressure from Canada, which claims that the embargo is not based on scientific facts and violates international trade rules. The EU's General Court agreed to place a moratorium on the ban for Canadian Inuit groups and commercial sealers who challenged the ban in order to properly consider the appeal. The two groups claim that the trade restrictions are discriminatory and will devastate some coastal economies.

"The... [court] has decided there's more time required to properly review our request," said Mary Simon, head of the national Inuit organisation in Canada. "To us, it makes it clear that the EU court is taking our legal case seriously."

The group of sixteen seal meat and pelt traders who sought a reprieve from the EU ban said they were pleased with the suspension, but still seek to defeat the embargo as Canada takes its grievances to the WTO's Dispute Settlement Body (DSB). (see Bridges Trade BioRes, [7 August 2009](#)).

## Despite suspension, EU says ban already in effect

Although the ban contains an exemption for seal products from traditional hunts carried out by Inuit groups, the indigenous groups are nonetheless opposed to the legislation, claiming that it would cause the market for seal products to collapse. Canadian Prime Minister Stephen Harper expressed that the federal government is strongly opposed to the ban and supports the Inuit's concerns regarding the trade ban.

"It is a disgrace that they're treated this way in some countries based upon no facts or information whatsoever. So, we strongly object to the decision," Harper said to reporters in Miramichi, Canada.

Sealing nations such as Canada, Norway, and Greenland, have claimed that the EU ban violates WTO trade regulations that require trade restrictions to be based on proven scientific data (see Bridges Trade BioRes, [13 November 2009](#)). WTO rules stipulate that barriers to trade may be implemented in order to protect animal life, but seal populations are, in fact, growing, prompting the sealing industry to argue that the ban is unjustifiably discriminatory (see Bridges Trade BioRes, [22 January 2010](#)).

Meanwhile, anti sealing groups – such as People for the Ethical Treatment of Animals (PETA) and the International Fund for Animal Welfare (IFAW) – say that European consumers are not interested in seal products because they believe that sealing operations are cruel and inhumane.

"The EU court may wish to look more closely at the ban, but the court of public opinion around the world is clear: the seal slaughter is uniquely cruel and no market wants the pelts," said Dan Mathews of PETA.

Canadian exports of seal products to the EU were valued at US\$2.5 million in 2008, down 50 percent from 2006 levels.

According to a spokesperson for the European Commission, the import ban on seal products is in effect, but will not apply to the Inuit groups or

commercial sealers who sought legal action against the embargo while the EU court reviews the case.

### Canada requests dispute settlement body

The trade ban was discussed in Brussels for much of early 2009. Then, on 5 May, despite much lobbying by sealing nations, European Parliamentarians voted 550-49 in favour of the ban (see Bridges Trade BioRes, [15 May 2009](#)).

The EU has triggered much debate over the appropriate grounds for barring imports of a given product. The ban aims to block trade in seal products from commercial sealing operations - such as those in Canada and Norway - which they say are “inherently cruel” and “inhumane.” But both countries have insisted that that this is not the case and that the EU has formulated policy based on inaccurate information supplied by the anti-sealing lobby.

Canada has long argued that the perception of the hunt is not based on proven scientific data - a key requirement for such a ban under WTO rules. Canadian officials say that sealing is a “legitimate economic pursuit” and that the ban violates the EU’s trade obligations under the WTO.

The basis for the ban has been the subject of controversy and will be scrutinised when WTO consultations between Canada and the EU get underway (see Bridges Trade BioRes, [13 November 2009](#)). The EU will support its reason for the ban under Article XX of the 1947 General Agreement on Tariffs and Trades (GATT), which provided the possible exceptions that allow a state to impede trade.

While an obvious exception to WTO rules regarding trade in animal products pertains to conservation measures, seal populations are not in danger and are, in fact, on the rise. This leaves Brussels with the rarely invoked “protection of public morals” GATT exception. On 17 August, Ottawa announced that it has asked the World Trade Organization to establish a dispute settlement panel on the matter.

ICTSD reporting; “Canada Seeks WTO Dispute Settlement Panel to Rule on EU Seal Products Ban,” BLOOMBERG.COM, 19 August 2010;

“EU seal ban suspended,” CBC NEWS, 20 August 2010; “Canada escalates WTO action against EU seal ban,” REUTERS, 19 August 2010.

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## European Scientists Announce Breakthrough in Bluefin Tuna Farming

Scientists at an EU-backed research centre say they have succeeded in spawning Atlantic bluefin tuna in captivity, without the use of hormones. The scientists say they aim to successfully farm bluefin tuna to alleviate pressure on wild stocks, which have been plummeting in recent years due to massive demand and high prices. But some environmentalists caution that diseases, waste, and parasites associated with fish farming could further threaten wild bluefin stocks.

The fishing industry already employs quasi-farming practices with bluefin tuna by placing mature fish caught in the wild in pens for fattening. But previous attempts to bring eggs to maturity – as is commonly done with Atlantic salmon, rainbow trout, yellowtail, and turbot – have been quashed by the lack of eggs produced by bluefin tuna in captivity. However, the Mazarrón, Spain-based group research group SELFDOTT says they have discovered a way to extract mass quantities of bluefin eggs and successfully spawn them in captivity – all without the use of hormones.

“We have achieved the reproduction of Bluefin Tuna in captivity,” Fernando de la Gándara, the project’s coordinator told Euronews. “But this doesn’t mean the end of the Bluefin Tuna fishing. Aquaculture will be a complement of fishing.”

### Bluefin management under microscope this year

Bluefin tuna is prized in Japan where it is used to prepare high-grade sushi. Some 80 to 90 percent of total exports are shipped to the island nation. But high demand for the delicacy has placed massive pressure on stocks and many environmentalists have accused the International Commission for the Conservation of Atlantic

Tunas (ICCAT) – the regulating body that oversees the fishery – of being incapable of adequately regulating the industry (see Bridges Trade BioRes, [27 November 2009](#)).

ICCAT has attempted to help make the bluefin fishery more sustainable in recent years – most recently reeling in catch quotas from 22,000 tonnes in 2009 to 13,500 tonnes for 2010 and decreasing the purse seiner fishing season by one month – but critics argue that the organisation has not done enough to combat illegal, unreported, and unregulated (IUU) fishing. By ICCAT's own numbers, more bluefin tuna was exported to Japan alone than the total allowable catch for 2007.

Thus, in an attempt to bypass the authority of the ICCAT, Monaco tabled a proposal in 2009 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 initiative, which was ultimately backed by the EU and the US and followed closely by the media, was unsuccessful (see Bridges Trade BioRes, [19 March 2010](#)).

With the defeat of the bluefin proposal at the CITES Convention of the Parties (COP) last March, management for the fishery remains in the hands of ICCAT.

### Farming bluefin presents challenges

SELFDOTT now says their next challenge is breeding larvae and keeping them alive long enough to produce a one kilogram fish. The species is extremely sensitive to water quality and requires enormous amounts of high nutrition food, compared to other fish species. The scientists also say that because of its size – each fish weighs an average of 250 kg – they are unable to manually check bluefin to see what stage of maturity they are at – as is normal practice with smaller fish. This also proposes serious problems for egg collection.

However, researchers are still working on strategies to effectively produce an aquaculture raised tuna of comparable size and even then, farmed tuna will not provide an end all solution to

the overfishing problem as high prices and high demand will continue to place pressure on wild stocks.

Still, the European Commission (EC) says the initiative will have great environmental and economic benefits. “If the results of this research can ultimately be commercialised, it can improve food supplies and contribute to economic growth and employment while also helping to ensure a sustainable management of bluefin tuna,” said Maire Goeghegan-Quinn, the EC's Research, Innovation and Science Commissioner.

But some environmentalists caution that in addition to the traditional problems with fish farming, such as disease, the voracious appetite of bluefin tuna will impact on “forage fish” – which are fed to farmed fish – could be devastating. With an estimated need of anywhere from 5-15 kg of forage fish needed to produce one kg of Atlantic bluefin, environmentalists say the industry could place more pressure on wild bluefin as they compete for food with their farmed cousins.

“EU Researchers make tuna stock breakthrough.” EURACTIV, 26 August 2010. “Research breakthrough in Bluefin Tuna farming.” EURONEWS, 02 September 2010. “Spain tops EU fishing ‘overcapacity’ ranking.” EURACTIV, 25 June 2009; “Taming the Wild Tuna,” THE NEW YORK TIMES, 4 September 2010.

## ANALYSIS

### Liberalising Trade in Single-Use Climate-Related Environmental Goods

By Rene Vossenaar

Larger deployment of climate-friendly technologies and products offers the potential for environmental, developmental and trade gains. Yet building consensus on how the WTO negotiations on Environmental Goods and Services (EGS) could make the best-possible contribution to harnessing such potential through the reduction or elimination of tariffs and non-



tariff barriers (NTBs) facing climate-related environmental goods (EGs) has proven difficult.

Some argue that tariff liberalisation alone will have little impact on the deployment of climate-friendly technologies in developing countries if it is not implemented as part of broader strategies that include targets, incentives, NTBs, and regulations aimed at creating markets. These broader strategies have so far received little attention.

In addition, the environmental benefits of certain products may be uncertain and it is complicated to assess trade in climate-related goods as these goods, for the most part, do perfectly match with a particular Harmonised System (HS) code – the standardised classification system for traded products used by the World Customs Organization (WCO) and WTO.

To help build public understanding of the potential benefits of liberalising trade in climate-related EGs, this study looks at the environmental and developmental implications of liberalising trade in a sub-set of “single-use” climate-related EGs. These are loosely defined here as goods that are used predominantly for climate-related purposes. It is not the intention to propose a specific subset of climate-related EGs or any specific negotiating approaches, but rather to facilitate a more reliable and transparent analysis.

Examples of internationally traded climate-related single-use EGs include goods used in harnessing renewable energy (e.g., wind turbines), renewable energy products (e.g., biofuels), products that use renewable energy as an energy source (e.g., geothermal heat pumps) and materials used for the insulation of buildings.

### **Tariff issues**

There is no one-size-fits-all strategy for tariff liberalisation for all countries and for all EGs. While import tariffs in developed countries and some developing countries are very low, some developing countries want to keep a certain level of tariff protection for finished products – most climate-related single-use EGs are finished products – to build up local capacities, which can then be reduced over time (as in India in the case of wind turbines). Some other developing

countries are looking to reduce tariffs on finished products for some time to meet national RE targets while domestic manufacturing capacities develop.

### **NTBs and subsidies**

Trade in single-use EGs may face different non-tariff barriers. These include local-content requirements and differing industrial standards and certification requirements.

Subsidies and incentives may have implications for international trade. On the one hand, they have been instrumental in creating demand, including for EGs imported from developing countries. On the other hand, subsidies and incentives aimed at strengthening manufacturing capacities may affect the opportunities for manufacturers, including in developing countries, to participate in international supply chains.

The American Reinvestment and Recovery Act (ARRA), for example, authorised up to US\$2.3 billion for an Advanced Energy Manufacturing Tax Credit (MTC). This is a 30 percent tax credit for investments in new, expanded, or re-equipped manufacturing facilities located in the United States (e.g., for solar energy, wind energy, advanced batteries, geothermal heat pumps, and electric vehicles).

### **Markets and trade flows**

The global market for climate-related EGs is significant and has been growing, even during the recession. The global market for wind turbine installations alone was about US\$63 billion in 2009. World trade in the most prominent climate-related EGs was around US\$50 billion in 2008, and developing country exports were US\$30 billion.

The period 2004-2008 provided a favourable context for trade in climate-related EGs: world trade increased by 80 percent and renewable-energy markets were growing quickly. In the same period the value of world exports of wind turbines increased eight-fold, to US\$3.3 billion, with the developing-country share increasing from less than 4 percent in 2004 to over 30 percent in 2008.

The exponential growth in developing country exports (in particular of wind turbines and photovoltaic devices) lifted their share in world exports of climate-related single-use EGs from 34 percent in 2004 to 59 percent in 2008 .

Markets were driven largely by regulations and incentives in developed countries. Most of the increase in developing-country exports of photovoltaic devices was triggered by increased EU imports, which, in turn, were the result of increased demand driven by incentives (in particular feed-in tariffs). In 2008, EU imports accounted for more than half the value of world imports, of which three quarters originated in developing countries (mostly China). In the case of wind turbines, US imports accounted for almost two thirds of the increase in world trade in the period 2004-2008.

This 2004-2008 period saw developing country imports of climate-related EGs increase at a slower pace than in developed countries, but still faster than developing countries' total imports of manufactured products. Developing countries made less use of subsidies to create demand for climate-related EGs and enhanced domestic manufacturing capacities. The share of developing countries in world imports shrank to 33 percent in 2008, from 44 percent in 2004. In fact, developing countries as a group became net exporters after having registered a trade deficit of US\$2.3 billion in 2004. This is largely due to China. Excluding China, developing countries turned a US\$1.4 billion trade deficit in single-use EGs in 2004 into only a small trade surplus in 2008.

These figures require careful interpretation. A significant portion of companies exporting from developing countries are subsidiaries of transnational corporations or nationally owned companies that operate as contract manufacturers or under licensing agreements with foreign companies. In some cases exports represent very little value added. Some Central American and Caribbean countries import "wet" bio-ethanol from Brazil and Europe and export dehydrated ethanol to the US market.

Assembling of imported intermediate goods may have played a relatively important role in the increase of Indian exports of photovoltaic devices.

The strong increase in developing-country exports may have resulted in a significant increase in imports of components, which, in most cases, have been excluded from the definition of single-use EGs.

While it is unclear whether these trends will continue, some of the following factors are worth considering:

First, a significant portion of the rapidly increasing demand for certain EGs in developed countries may initially have been met by imports. However, the import content of demand for these EGs may fall over time as domestic production capacities increase, including in response to incentives provided through stimulus packages. Subsidies and other incentives may be discontinued or reduced over time.

Second, a significant part of future additions to installed capacity may take place in large developing countries, such as China and India, which are less likely to import large quantities of finished products, in part because they already have expanded manufacturing capacity to supply export markets.

Finally, new markets may also arise. For example, in 2009, 13 developing countries other than China collectively added 1.4 GW of installed wind-energy capacity.

## Conclusions

A growing number of developing countries are adopting RE targets and creating domestic markets for associated products and components. Some developing countries have a competitive edge in certain technologies. Therefore many developing countries have a larger stake in the EGs negotiations than earlier on in the EGS process.

There is no one-size-fits-all strategy for tariff reductions and tariff liberalisation alone will have little impact on the deployment of climate-friendly technologies in developing countries if targets, incentives, and regulations aimed at creating markets are not yet in place. Developing countries need flexibility to identify products that offer the best possible opportunities for harnessing

environmental and developmental gains by liberalising trade. The EGS negotiations should pay more attention to NTBs and potentially trade-distorting subsidies.

*This article is drawn from a longer study by Rene Vossenaar, which can be accessed [here](#).*

## IN BRIEF

### Take Action to Stem Risks of Overseas Agriculture Investments, Warn Groups

The World Bank recently released the most comprehensive assessment to date of overseas investment in agricultural land, and outlined principles for ensuring the sustainability of such transactions. The phenomenon is increasingly worrying social and environmental groups, which warn against “land grabs” where the rights of local people are neglected. Friends of the Earth has raised particular concern over links between biofuels expansion in the EU and expansion of agricultural land acquisitions by major private sector investors in Africa.

According to the World Bank report, entitled “Rising Global Interest in Farmland,” investment overseas into agricultural land has increased tenfold since the food price spikes experienced in 2008. The Bank notes that while investment into the agriculture sector has been lagging and is important in order to improve productivity, it warns against practices that harm the rights and opportunities for development of local people.

“These large land acquisitions can come at a high cost. The veil of secrecy that often surrounds these land deals must be lifted so poor people don’t ultimately pay the heavy price of losing their land,” said World Bank Managing Director, Ngozi Okonjo-Iweala. “With food prices still highly volatile, large scale land deals are a growing reality in the developing world, highlighting the need for concerted action for the benefit of all parties.”

The report outlined seven principles for responsible agro-investment, focusing on

respecting land and resource rights; ensuring food security; enabling transparency, good governance and a proper enabling environment; consultation and participation; responsible agro-investing; social sustainability; and environmental sustainability. The report noted that the trend of overseas investment in agricultural land is likely to continue to grow.

Meanwhile, environmental campaign group Friends of the Earth has looked into the issue independently, focusing on Africa and investments in land for grow feedstock for biofuels. According to the group, this practice has numerous negative effects and must be stopped. “A clear cause of land grabs is the demand for biofuels,” said Mariann Bassey, African food and agriculture coordinator for Environmental Rights Action/Friends of the Earth Nigeria. “This demand is transforming our natural resources into fuel crops, taking away food-growing farmland, and creating conflicts with local people over land ownership. We are suffering just so that Europe and developed nations can fuel their cars and lorries.”

Adrian Bebb, food and agriculture campaigner for Friends of the Earth Europe, added that “the EU must urgently scrap its biofuel policy. We must invest instead in environmentally friendly agriculture and decrease the energy we use for transport.”

The World Bank report also notes the link between biofuels policies and increased interest in agricultural lands, stating that “rising energy prices and public subsidies and mandates, with second generation biofuels still at least a decade away, led to rapid increases in the demand for biofuel feedstock.” Overall, “biofuel mandates may have large indirect effects on land use change, particularly converting pasture and forest land,” according to the report.

#### More information

The World Bank report, “Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?” is available at [here](#).

The Friends of the Earth report, “Africa: Up For Grabs” is can be accessed [here](#).



ICTSD Reporting; “New Report: Biofuels for Europe driving land grabbing in Africa,” FRIENDS OF THE EARTH RELEASE, 26 August 2010; “World Bank backs farmland investment,” FINANCIAL TIMES, 7 September 2010.”

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### **US Steelworkers Lash out at Chinese Clean Energy Subsidies**

The United Steelworkers union in the US has filed a trade case against China accusing it of unfairly subsidising its clean energy industry. The Office of the United States Trade Representative (USTR) says it has received the union’s petition and that it will reach a decision on whether to open an investigation within the next 45 days.

The union submitted the document to the USTR on 9 September, highlighting five main areas of protectionist policies used by China that they say gives their green sector an unfair advantage over US companies and violate WTO free-trade rules.

“These practices have enabled China to emerge as a dominant supplier of green technology,” said Leo Gerard, president of the United Steelworkers union (USW) in the US. “Right now, China is taking every possible step - many of them illegal under international trade laws - to ensure that it will control that sector.”

The USW accuses China of subsidising companies that export green energy products such as solar panels and wind turbines. They also complain that China blocks the importation of clean energy goods and restricts the sale of exhaustible natural resources that foreign energy firms need in order to compete with Chinese companies.

Wang Baodong, a spokesman for the Chinese Embassy in the US, expressed hope for a bilateral agreement between the US and China regarding the clean energy industry. “Great potential exists between China and the US in developing clean energy...with the aim of creating a win-win situation commercially and helping combat the climate change effect,” Wang said.

China claims that their investment in clean energy will benefit worldwide goals of reducing greenhouse gas emissions, but trade experts maintain that Chinese protectionist policies may lead to WTO involvement.

If the US Trade Representative accepts the USW petition, the case may be heard in front of a WTO dispute settlement panel.

A decision by the USTR regarding the petition is expected by 24 October.

ICTSD Reporting; “Union Accuses China of Illegal Clean Energy Subsidies,” NEW YORK TIMES, 9 September 2010; “Steelworkers want Obama to sue China over green energy subsidy,” ECONOMICTIMES.COM, 10 September 2010; “U.S. steelworkers target China,” THE WASHINGTON POST, 10 September 2010.

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### **Business Increasingly Fears Impacts of Biodiversity Loss: Survey**

The potential impacts of biodiversity loss on business are increasingly a concern to executives from top companies from around the world, according to a new survey by consulting firm McKinsey & Company. But the survey also found that a surprising 59 percent of respondents said that they saw opportunity in the threat— such as using renewable energy to limit negative impacts on ecosystems and preserving or even strengthening biodiversity through corporate do-gooder programs – rather than seeing it as exclusively negative.

When the company did a similar survey in 2007 on the topic of climate change, only 29 percent of executives said they saw global warming as an opportunity. However, biodiversity concerns still ranked far below climate change survey’s list of company’s top environmental and sustainability issues. Out of 12 environmental and sustainability issues, the executives ranked biodiversity 10th in overall importance – behind pollution and human rights.

Half of respondents also acknowledged that their companies have already taken action to address biodiversity loss. These actions were primarily at

increasing companies' use of renewable natural resources and conservation. The survey says this marks a shift in how companies perceive these issues.

"Executives once approached [biodiversity issues] purely as a public-relations risk or opportunity but now recognize the real impact they can have on operations and corporate value," the study reads.

Companies were split on their perceptions of how severely biodiversity issues would affect them over the next one to three years, with water scarcity leading the list of possible concerns. Executives from pharmaceutical firms, energy firms, and food and beverage companies – which rely on water for agriculture – were twice as likely to say that biodiversity was an important factor for strengthening their competitive position.

Creating new products and services from renewable natural resources were cited as key opportunities by more than half of the firms surveyed. But most plans for implementing actual projects are at a very early stage.

"Among all respondents, only a quarter have a formal biodiversity policy or strategy, and only 22 percent have formal targets," the article reports. "Among those with any formal target, 62 percent have operational ones, and only 27 percent have financial ones."

The executives said they believe consumers and regulators are the key drivers of change in the way business approaches biodiversity and added that tax incentives or direct subsidies would help also. Many also said they would support a call for voluntary standards for renewable natural resource use, but less than a quarter said they would support mandatory standards or reporting.

#### More information

The full report can be accessed [here](#).

ICTSD Reporting

## Canada Voices Concern over EU Biotech Policy

Ottawa has written a letter to EU government embassies in Brussels outlining its concerns over a proposal to allow member states to decide whether to ban the cultivation of genetically modified (GM) crops within their national borders. The bloc has been struggling for the past few years to deal with an array of national bans on crops approved for use within the EU.

Already, six European countries – Austria, Bulgaria, Germany, Greece, Hungary, Ireland and Luxembourg – have banned the cultivation of GM seeds. Biotech giant Monsanto has initiated legal action against Berlin over their decision (see Bridges Trade BioRes, [1 May 2009](#)). The proposal aims to deal with this lack of compliance by giving national governments the authority to decide their own policy on biotech cultivation – but arguments need not be scientifically based.

"Canada is concerned that the EU's proposal does not appear to be consistent with a science-based approach," the letter from Canada reads. "Canada is watching developments in the EU closely, including discussions on the consistency of the proposal with the principles of the EU single market."

Last year, Canada settled a five-year old trade row over the EU's restrictions on GM products. In exchange for Canada dropping its complaint at the WTO Dispute Settlement Body (DSB), the EU agreed to meet two times per year with Canadian authorities to discuss issues relevant to trade in biotech products (see Bridges Trade BioRes, [7 August 2009](#)). Canada said it will discuss the issue further at the next scheduled bilateral meeting on 10 September.

The possibility of a policy shift has drawn sharp criticism from both sides of Europe's contentious GM debate, with industry representatives complaining that the change would make European regulations even more unwieldy and green groups berating what they saw as a fatal weakening of Europe's stance against "frankenfoods" (see Bridges Trade BioRes, [23 July 2010](#)).

Before it can become law, the amendment will have to win the approval of both the European Parliament and a qualified majority of EU member states. Regardless of whether the amendment is adopted, the EU-wide system for granting approval for the cultivation of genetically modified seeds in Europe will remain in place.

ICTSD Reporting; “Canada letter says concerns re EU GM crop proposal,” REUTERS, 27 August 2010; “Canada concerned about EU crop proposal,” MONTREAL GAZETTE, 30 August 2010.

## EVENTS AND RESOURCES

### Events

For a more comprehensive list of events for the trade and environment community visit the [BioRes online calendar](#).

#### Coming up in the next five weeks (10 September – 24 September)

14 September, Montreal, Canada. HIGH-LEVEL DIALOGUE ON FOSTERING INVESTMENT IN ELECTRICITY GENERATION IN CENTRAL AND EASTERN EUROPE AND CENTRAL ASIA. This meeting, hosted by the UN Economic Commission for Europe (UNECE) Secretariat, the World Energy Council and the e8 organisation, will discuss key issues and initial direction for the project ‘Fostering investment in advanced fossil fuel technologies for climate change mitigation and sustainable development in countries with economies in transition.’ Panel discussions will include key issues such as market, technological and cost developments, selected investment trends, evolving regulation and possible future trends. Delegates from central and eastern European and central Asian countries will discuss energy investment with CEOs from leading electricity companies. For more information on this event visit the [UNECE website](#).

14-30 September, New York City, USA. SIXTY-FIFTH SESSION OF THE UNITED

NATIONS GENERAL ASSEMBLY. The 65th session of the United Nations General Assembly will open on 14 September and the General Debate will take place from 23-25 September and 27-30 September. A high-level Plenary Meeting on the Millennium Development Goals will be held on 20-22 September. Included in the provisional agenda are issues related to biodiversity and the launch of the 2011 UN Decade for Deserts and the Fight against Desertification. For more information visit the [UN website](#).

15-16 September, Paris, France. IEA WORKSHOP ON SUSTAINABLE FEEDSTOCK SUPPLY FOR BIOENERGY AND BIOFUELS. The international Energy Agency (IEA) is holding a workshop on bioenergy and biofuels feedstocks relating specifically to biomass and land availability, international biomass trade, supply costs and sustainability-related topics. The workshop’s sessions will focus, inter alia, on assessing biomass potential and identifying knowledge gaps, identifying steps necessary to ensure sustainability of supply, and furthering public-private-partnerships and international cooperation on ensuring sustainable production. For more information visit the [event website](#).

15-17 September, Geneva, Switzerland. WTO PUBLIC FORUM. The World Trade Organization (WTO) Public Forum 2010 will address “The Forces Shaping World Trade” and feature a series of events organised by civil society organisations. Discussions will take place under the sub-themes: the WTO and the players that influence the multilateral trading system; the economic, political and technological factors shaping world trade, and the role of the rules-based multilateral trading system in contributing to the global economic recovery; coherence between the WTO and other areas of global governance; and “Looking to the future: What post-crisis agenda for the WTO in a shifting-power scenario?” ICTSD will be posting updates on the [Bridges Twitter page](#). For more information and a schedule of events visit the [WTO website](#).

17-19 September, New Haven, US. UNITAR-YALE CONFERENCE ON CLIMATE CHANGE GOVERNANCE. This conference is

organized by the UN Institute for Training and Research (UNITAR) and Yale University on the theme of “Strengthening Institutions to Address Climate Change and Advance a Green Economy.” The Conference aims to examine the role of institutional structures and decision-making procedures in fostering or impeding low carbon and climate resilient development. Anticipated outcomes of the conference include a research agenda and enhanced knowledge sharing to better understand the openness, transparency, accountability and effectiveness of institutions engaged in action to address climate change. For more information visit the [conference website](#).

18-21 September, Montreal, Canada. INTERREGIONAL NEGOTIATING GROUP (ING) OF THE AD HOC OPEN-ENDED WORKING GROUP ON ACCESS AND BENEFIT-SHARING (ABS). This meeting will continue the negotiations on an international regime for access and benefit sharing under the Convention on Biological Diversity. The meeting aims to prepare a text on the international regime for presentation at the October Conference of the Parties of the CBD in Nagoya. For more information visit the [CBD website](#).

19-24 September. Montreal, Canada. INTERNATIONAL WATER ASSOCIATION (IWA) WORLD WATER CONGRESS. The IWA World Water Congress and Exhibition is a high-profile international event attracting thousands of water professionals and organisations from across the globe. The strategic intentions for the congress are to engage with the dynamics of the water sector and its interfaces, including urbanisation, climate change and energy. This event provides delegates and trade visitors with the opportunity to meet world-leading water professionals, exchange ideas, explore the state of the art and debate the key issues underlying the science and practice of water. It is also where the entire water community congregates once every two years and where IWA specialist groups showcase their work and plan for future activities. For more information visit the event [website](#).

20-21 September, Paris, France. TENTH ANNUAL WORKSHOP ON GREENHOUSE GAS EMISSION TRADING. The international Energy Agency (IEA), the International Emissions

Trading Association (IETA) and the Electric Power Research Institute (EPRI) will host the tenth annual emissions trading workshop which provides an opportunity for government, business and various stakeholders to discuss some of the key issues relating to national and international carbon markets and climate policy. This year’s workshop will cover topics relevant to the future of global carbon markets post-COP 15, including scaled-up and new market mechanisms, regional linkages, carbon market oversight, and accounting and verification. As in previous years, the workshop will also provide an opportunity to discuss advances in various national GHG markets, as well as carbon market developments over the past year. For more information visit the [event website](#).

20-24 September, Bergen, Norway. NORTH-EAST ATLANTIC ENVIRONMENT SUMMIT. This summit, hosted by the Norwegian Ministry of the Environment, will gather Ministers and representatives from the 16 Contracting Parties to the OSPAR Commission and delegates from other countries bordering the North Atlantic (Canada and the US) with the aim of taking collective action on pertinent issues related to the future of the North Atlantic marine environment. Specifically, the summit plans to address implementing the EC Marine Strategy Framework Directive, establishing a well-managed network of marine protected areas (MPAs) and responding to the challenges of increase carbon dioxide on the marine environment. The summit will launch the Quality Status Report 2010, which provides an assessment of the quality status of the North-East Atlantic. For more information visit the [meeting website](#).

20-24 September, Nairobi, Kenya. GLOBAL EXPERT WORKSHOP ON BIODIVERSITY BENEFITS OF REDD IN DEVELOPING COUNTRIES. This workshop is being convened by the Secretariat of the Convention on Biological Diversity (CBD) with the generous financial support of the government of Germany and in collaboration with the UN REDD Programme (United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries). The purpose of the workshop is to support the efforts of Parties in addressing REDD in developing

countries within the framework of the United Nations Framework Convention on Climate Change (UNFCCC), in a way that contributes to the implementation of the CBD programme of work on forest biodiversity. Specifically, the workshop address potential risks associated with REDD-plus that could result in activities that run counter to the objectives of the CBD, and develop recommendations how these risks can be addressed. For more information visit the workshop [website](#).

22-25 September, Phuket, Thailand. GLOBAL CONFERENCE ON AQUACULTURE 2010: FARMING THE WATERS FOR FOOD AND PEOPLE. This conference, co-sponsored by the FAO Fisheries and Aquaculture Department, the Network of Aquaculture Centres in Asia and the Pacific (NACA), and the Department of Fisheries of the Royal Thai Government, aims to tackle five key matters related to global aquaculture. Organisers hope to review the present status and trends in aquaculture development, evaluate the progress made in the implementation of the 2000 Bangkok Declaration and Strategy, address emerging issues in aquaculture development, assess opportunities and challenges for future aquaculture development, and build consensus on advancing aquaculture as a global, sustainable and competitive food production sector. The conference was originally scheduled to take place in June 2010. For further information, refer to the [conference website](#).

23-24 September, London, UK. CLIMATE CHANGE 2010: THE WAY FORWARD IN A POST-COPENHAGEN WORLD. This conference, organised by Chatham House, will ask whether an international agreement on climate will be reached in 2010-11, and if that appears unlikely, what alternative forms of governance will emerge and what governments and the business sector can do to respond. Organisers hope to bring together political leaders, chief negotiators, experts, analysts, and heads of business from both developed and developing nations to discuss issues such as the prospects for long term finance of adaptation, mitigation, and forests, along with how national policy can create conditions to stimulate investment, among other topics. To learn more, or to register, visit the [event website](#).

## Other Upcoming Events

27-28 September, Venice, Italy. BIOECON CONFERENCE. This twelfth annual Biodiversity and Economics for Conservation (BIOECON) conference is titled: "From the Wealth of Nations to the Wealth of Nature: Rethinking Economic Growth". The conference, hosted by Fondazione Eni Enrico Mattei in association with the Basque Centre for Climate Change, Conservation International, the International Union for Conservation of Nature, and the United Nations Environment Programme, targets researchers, environmental professionals, international organisations and policy-makers who are interested in working towards a better, more effective stewardship of natural capital. The central theme will focus on the identification of the most effective and efficient instruments for biodiversity conservation, such as auctions of biodiversity conservation contracts, payment-for-services contracts, taxes, tradable permits, voluntary mechanisms and straightforward command and control measures. Special attention will be given to the role of public bodies/NGOs in the creation of innovative mechanisms for the delivery of ecosystem benefits and to analyses of the impacts and dependencies of different businesses on biodiversity and ecosystems. The role of biodiversity as an employment generator will also be addressed. Additionally, the conference will look at the beneficiaries of biodiversity and ecosystem services, exploring the potential use of these resources for poverty alleviation, and with examples of successful policies to this end. For more information or to register visit the [conference website](#).

10-14 October, Addis Ababa, Ethiopia. SEVENTH AFRICAN DEVELOPMENT FORUM ON CLIMATE CHANGE AND DEVELOPMENT. The Seventh African Development Forum (ADF VII) on Climate Change and Development is being convened by the UN Economic Commission for Africa (UNECA), the African Union Commission (AUC) and the African Development Bank (AfDB). The Forum will consider, inter alia, advocacy activities on climate change in the region. For more information visit the [event website](#).



11-15 October, Geneva, Switzerland. UNECE TIMBER COMMITTEE MARKET DISCUSSIONS AND POLICY REFORM. The Timber Committee of the UN Economic Commission for Europe (UNECE) will gather governments, industry, research, non-governmental organisations and the media to review the latest international developments affecting the forest sector. Under the theme "Innovative Wood Products are the Future," discussion will address: wood energy, carbon markets and certified forest products markets, and the role of wood products in mitigating climate change. For more information visit the [event website](#).

11-15 October, Manila, Philippines. WATER CRISIS AND CHOICES – ADB AND PARTNERS CONFERENCE 2010. The Asian Development Bank (ADB) and partners are holding a conference on water issues relating specifically to scarcity, waste, pollution, inadequate service levels, and increasing and competing demands to name a few. The conference aims to increase awareness of water issues and solutions, build stronger networks and regional co-operation to implement actions, demonstrate ADB commitment to solving water issues over the next decade, and enhance partners engagement with ADB in helping countries meet their water agenda. For more information visit the [conference website](#).

3-5 November, Lilongwe, Malawi. SOUTHERN AFRICAN YOUTH CONFERENCE ON CLIMATE CHANGE. The Sustainable Rural Growth and Development Initiative (SRGDI), in collaboration with a consortium of non-governmental organisations, the private sector, research and academic institutions, and the government of Malawi, are partnering with the African Youth Initiative on Climate Change (AYICC) to host the Southern Africa Youth Conference on Climate Change (SAYCCC). The conference aims to attract young leaders, professionals, academics, politicians, development workers, parliamentarians, and the media from Southern Africa. This gathering of Southern African youth has three thematic areas: adaptation, mitigation, lobbying, and advocacy. This conference will lead to a three year climate change programme that will be implemented through a

regional climate change youth network. For more information visit the [AYICC website](#).

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## Resources

ACCESS AND BENEFIT SHARING INFORMATION KIT. By the Convention on Biological Diversity, July 2010. The Convention on Biological Diversity recognises the need to raise awareness and to build capacity with respect to access to genetic resources and benefit-sharing. This generic information kit, generously funded by the Government of Germany, aims to build capacity on the basics of access and benefit-sharing in simple language. The information kit is available in the six UN languages - Arabic, Chinese, English, French, Russian and Spanish - and contains a brochure along with five factsheets on access and benefit; uses of genetic resources, traditional knowledge, the Bonn Guidelines and national implementation. PowerPoint slides are available in English only. The information tool is to be used by a variety of actors, including Parties and other stakeholders, in their efforts to raise awareness on access and benefit-sharing within their constituencies. The CBD also has developed factsheets containing information on the ongoing negotiations of the International Regime on Access and benefit-sharing. To access the ABS information kit visit the [CBD website](#).

UN DEBUTS WEBSITE FOR TRACKING CLIMATE AID. On 3 September, the UN launched a new website designed to track climate funding commitments from industrialised countries in a bid to boost confidence that developed economies are delivering on their commitment to provide US\$30 billion in "fast start" funding to help poorer nations combat climate change. The Netherlands-hosted website, titled *FastStartFinance.org*, was unveiled at a meeting of around 45 nations in Geneva where environment ministers are discussing climate funding proposals (see related story, this issue). The site will allow industrialised countries to provide data on their climate funding initiatives. To access the new website, [click here](#).

UNECE/FAO FOREST PRODUCTS ANNUAL MARKET REVIEW, 2009-2010. The UNECE/FAO Forest Products Annual Market Review provides general and statistical information on forest products markets and related policies in the UN Economic Commission for Europe region (Europe, North America and the Commonwealth of Independent States). This review begins with an overview chapter and is followed by a description of the macro-economic situation. It includes an analysis of government and industry policies affected forest products markets. Specifically the review focuses on an analysis of production, trade and consumption of sawn softwood, sawn hardwood, wood-based panels, and paper, paperboard and woodpulp. Markets for wood energy, certified forest products, value-added wood products, forest carbon and tropical timber are also addressed. Tables and graphs provided throughout the text present summary information. The report is available for download at the [UNECE website](#) and supplementary statistical tables may be found on the Market Information Service website within the UNECE Timber Committee and FAO European Forestry Commission [website](#).