



Bridges Trade BioRes

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

Volume 10 · Number 18, 11 October 2010

Reader Survey

Climate Change

Tianjin Climate Meeting Delivers Little..... 1

Regulations on Shipping Emissions

Face Setback at London Meeting..... 3

Fisheries

US Moves to bring Tuna-Dolphin Spat
with Mexico to NAFTA..... 5

Analysis

Harmonising Energy Efficiency Requirements:
Building Foundations for Co-operative Action... 6

In Brief

Brussels Delays Possible Trade Barrier
Ruling on Canadian Oil Sands..... 8

WTO's CTE Explores Carbon Footprinting..... 9

Brussels' Plan for GM Crop Flexibilities
Panned at Recent Meeting 10

Events and Resources

Events..... 11

Resources 13

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.

To subscribe to Bridges Trade BioRes or access back issues, visit www.ictsd.net/news/biores/. Excerpts from Bridges Trade BioRes may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

This edition of Bridges Trade BioRes was edited by Andrew Aziz, aaziz@ictsd.ch. Contributors to this issue were Andrew Aziz, Rod Janssen, Ana Maria Kleymeyer, Joe Lubar, and Joachim Monkelbaan.

The Director is Ricardo Meléndez-Ortiz.

ISSN 1682-0843

READER SURVEY

Want a better BioRes? Talk to us!

Take a minute to complete our [extremely short BioRes reader survey](#).

CLIMATE CHANGE

Tianjin Climate Meeting Delivers Little

The latest round of international global warming negotiations wrapped up late Saturday night in Tianjin, China with little meaningful progress having taken place. The talks were seen as a stocktaking exercise before the 2010 UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP), which will get underway at the end of November in Cancun, Mexico.

Two major elements of the Copenhagen Accord – which emerged from last year's COP in Copenhagen – have been in the spotlight of the climate negotiations throughout 2010 and in Tianjin: climate finance and the procedures that will be used to check whether countries fulfil their obligations with regards to cutting greenhouse gas emissions.

In the Copenhagen Accord, developed countries promised to make US\$30 billion of “fast start” financing available from 2010 to 2012 to support developing countries' plans to mitigate and adapt to climate change. By 2020, the amount of climate finance should reach US\$100 billion annually. Besides concerns over whether these funds would be additional to existing Official Development Assistance (ODA), it has been difficult to agree on the mechanism through which the money should be distributed.

Climate fund begins to take shape

In Tianjin, the contours of a global climate fund were discussed. Current options include establishing some form of a financial board and advisory panel that would then also put the architecture in place. The United States proposed to gather Finance Ministers and have them work on the details.

In turn, developing countries – and especially the largest among them – promised in Copenhagen that their efforts to cut greenhouse gas emissions will be subject to measurement, reporting and verification (MRV). In other words, developing countries will put a set of processes and procedures in place through which factual information is provided, assessed and checked to determine whether, when, and how effectively they are able to meet their climate change mitigation obligations. The BASIC countries (Brazil, South Africa, India and China) meanwhile are reluctant to provide the level of information that is being demanded of them.

This balance between funding from developed countries and accountability from developing countries was at the heart of the climate negotiations last week in Tianjin. But by the end of the week, countries seemed further apart though on these and other issues than they were in Copenhagen. The high global expectations or political pressure that was palpable before Copenhagen seems to have eased off. Even the UNFCCC Executive Secretary, Christiana Figueres, had to admit that “Mexico will not deliver a comprehensive agreement on climate change this year.” Instead, hopes are turned to the South Africa COP, which will take place at the end of 2011.

Cancun expectations

So the question “what *can* Cancun deliver meanwhile?” turned out to be the unofficial theme of the Tianjin talks. One outcome of Cancun that Parties are considering is a set of discrete “Decisions” on specific topics that are ripe for agreement: technology, adaptation, REDD plus, agriculture, and market mechanisms.

The technology discussions in Tianjin considered the possibility of establishing a Technology Mechanism, the option to create Technology Networks and Information Centres, and talk of establishing a committee that would continue working on details for how an eventual Mechanism or agreement might work.

For adaptation, the current draft includes options for a new Adaptation Protocol, the establishment of a more robust Adaptation Fund – separate from, yet somehow connected to, the current Adaptation Fund of the Kyoto Protocol. Developing countries were fighting amongst themselves over who should receive priority for adaptation funding. Many oil producing states continue to insist that funding for adaptation also be available to cover the adverse effects of response measures – in other words, provide compensation and support to fossil fuel producing countries when their revenues plummet as a result of a climate agreement.

Discussions on Reduced Emissions from Deforestation and Land Degradation (REDD plus) hit some bumpy road in Tianjin. The jury is still out as to whether this issue will be able to have a standalone “decision” in Mexico.

On a positive note, the discussions on agriculture advanced some more and, while it is unclear that this sector could have a standalone agreement with significant actions, it could generate a process that would advance expertise, options, and eventually results in the sector and could eventually provide confidence for the same in other sectors.

The negotiations on market mechanisms are as difficult as ever, but the interests are great within the EU particularly, and thus they continue. Many of the same developing countries that form part of the ALBA group, consisting of Venezuela, Bolivia, and Cuba continue to block hard on this discussion. As global carbon markets continue to burn out, the pressure is high to keep markets alive, especially in light of the uncertainty on a second period for the Kyoto Protocol upon which most of the markets rely.

Observer organisation policy under consideration

One final issue to keep an eye out for in Mexico is the question of observer organisation involvement. Historically, observers, made up of civil society groups – that include business community, NGOs, international organisations, academics, environmental advocates, youth organisations, and others – have attended the climate discussions and often provide copious amounts of information and dialogue around the issues under negotiation. While other UN bodies have more integrated or participatory mechanisms for observer organisations, the UNFCCC approach has been less participatory, but not heavily criticised. However, since last year when the Danish government ran in to numerous problems handling the high number of observer organisations attending the talks, the UNFCCC has begun to put limits on the numbers and manner of participation. At the same time the Subsidiary Body on Implementation (SBI) agreed in 2009 to address the question of participation this year.

The Mexican Government has taken a keen interest in this topic and is working on several ideas that could make the Mexican COP unique in this regard. The venue for this year's climate talks is split into two separate buildings, with the observer activities housed a bus ride away from the negotiations. Many observer organisations have already approached the UNFCCC Secretariat about these arrangements and the quotas on observer delegations. They say the climate talks would benefit from the knowledge, experience, and myriad other kinds of support that observer organisations have to offer in the talks.

Bumps ahead?

While there is a promising outlook for a string of separate decisions on key topics in Cancun, the United States has already clearly stated that they are only willing to agree to a comprehensive package. For the US, if the biggest developing countries do not agree to monitor, report and verify (MRV) all of their mitigation actions, then the US will not agree to any of the cherry-picked decisions. Whether justified or not, the US's major concern is loss of economic competitiveness vis-à-

vis the emerging countries in the case of costly emission reduction measures. In exchange for clarity on developing country actions to mitigate climate change, the US would, in principle, support a comprehensive agreement that includes a new technology development and transfer mechanism, reduction of their own emissions and climate finance.

Meanwhile the BASIC countries say that they are not as pressed for financing and technology as small and medium sized developing countries, and that the comprehensive offer on the table is not that interesting. Moreover, the BASIC countries hold that the indication of commitment to reduce emissions and to provide financial and technological support to the developing world from the developed countries falls far short of what is needed and that past promises have not been adhered to. Based on their historical contribution to the climate problem, the BASIC countries say the equitable approach would be for developed countries to show leadership in reducing emissions and delivering support.

Finally, trade is main point of concern as the United States and European countries have called for trade restrictions, known as border adjustments, on goods imported from countries such as India and China who do not agree to binding emissions reduction targets. They argue that import tariffs are needed to offset the loss of competitiveness industries in countries which accept binding targets are likely to face. In Tianjin, officials from the BASIC pushed again for the introduction of a text to "reject the use of unilateral protectionist measures" by developed countries, said Jairam Ramesh, India's Minister of Environment and Forests.

ICTSD Reporting.

Regulations on Shipping Emissions Face Setback at London Meeting

Negotiations to establish energy efficiency requirements to help slash carbon emissions from shipping at the 61st meeting of the International Marine Organization's Marine Environment Protection Committee (IMO MEPC) ended in

failure last week with parties unable to reach consensus.

The purpose of the 27 September-1 October meeting in London, England was to continue with progress made at its last meeting in March 2010, where countries had endorsed a package of efficiency standards on the Energy Efficiency Design Index (EEDI) and Ships Energy Efficiency Management Plans (SEEMP). But the week-long meeting encountered stumbling blocks primarily over the issue of fair treatment for shipping countries in the developing world.

Under the UN Framework Convention on Climate Change (UNFCCC), the shipping and aviation sectors have been charged with establishing their own emissions-cutting mechanisms. However, the industries have thus far been unable to agree upon an appropriate forum or set of rules. The UN-linked IMO has emerged as the front-runner for establishing and enforcing carbon reduction rules, but consensus on what these rules are or how they will be enforced remains elusive.

Unlike the UNFCCC's concept of common but differentiated responsibility – where developed countries are expected to take on the lion's share of cutting global carbon emissions – the IMO's fair treatment principle treats all shipping flag states equally. This is because of the ambiguity of what constitutes a nation state in the shipping industry.

“Drawing such distinctions between developing and developed countries in shipping is not that simple,” Simon Walmsley, WWF's observer to the IMO talks, said in a statement. “Shipping owners may be from a developed country, but their ships could be built, flagged and crewed in developing countries.

But some developing countries now argue that a clause similar to that of the UNFCCC be considered by the IMO. At the London meeting, China argued that the EEDI should be mandatory for developed countries, but left voluntary for developing countries. However, the suggestion was met with widespread opposition. Some developing countries also refused to acknowledge that the shipping industry is in need of making

substantial contributions to reducing global carbon emissions.

More than 90 percent of globally traded goods are transported by ship and accounts for some three percent of global carbon emissions.

Breakdown could lead to fragmentation

Some observers now speculate that unless the IMO is able to recapture the momentum towards establishing a consensus among members, some countries will move towards implementing national or regional carbon cutting schemes. The European Union has said that if the IMO is unable to clinch a global deal, it will consider regulating shipping emissions unilaterally.

At opening of the London meeting, Efthimios Mitropoulos – the IMO's Secretary-General – cautioned delegates that this was their last opportunity to show progress before the UNFCCC's Conference of the Parties this December in Cancun, Mexico.

By failing to make any meaningful progress on the issue, countries have left the door open for shipping GHG emissions regulations to be taken up by organs outside the IMO.

“The worst outcome for a global industry like shipping would be to have differing emissions reductions schemes being imposed in different places,” Walmsley said. “But that is the future shipping nations are courting by failing to reach agreement in their own forum.”

Opportunities in industry initiatives?

The breakdown at last week's meeting will push the EEDI and SEEMP issues down the road to MEPC 62, scheduled for July 2011. But the inability to move past the equal treatment dispute has left little room for optimism on market-based measures (MBMs), the second round of emissions reduction measures under consideration.

Given that the MBMs, such as emissions trading and bunker levies, are expected to be more controversial than the technical issues currently under consideration, there is little room for optimism for those close to the negotiations. Still,

some observers said the fact that delegates were engaging in debate rather than dismissing the issues was a positive sign.

"Governments have given a promising signal this week that they're beginning to take the shipping industry's important role in tackling climate change seriously," said Tim Gore, Oxfam's EU climate change policy adviser.

The London meeting saw the presentation of a 300-page report by an expert industry group on a range of MBM proposals. The group aimed to evaluate the proposals to assess the extent to which they could assist in reducing emissions from shipping, giving priority to the maritime sectors of developing countries, least developed countries (LDCs) and Small Island Developing States (SIDS). However, the group concluded that more research was needed before any final recommendations could be made.

An IMO inter-sessional working group will meet prior to MEPC 62 to attempt to further progress the work on MBMs.

Meanwhile, environmental group WWF has been championing an industry-led initiative that they say could significantly curb shipping emissions without the need for regulations. In an [open letter](#), published on World Maritime Day (30 September) Arild Iversen, CEO of international shipping giant Wallenius Wilhelmsen Logistics, and Jim Leape, WWF International's Director-General, said that by simply cutting ship speeds by four knots, the shipping industry could cut emissions by nearly 40 percent.

The unlikely pair also said that companies would also save money on fuel costs and claim that trade would not be slowed because many goods spend lengthy periods simply waiting for connections.

"Slowing vessels down would not mean slowing up trade," the letter reads. "By planning more precisely, goods and cargo could actually travel slower, yet arrive to consumers sooner, while reducing emissions, cost and port congestion at the same time."

ICTSD Reporting; "IMO fails to reach consensus on emissions cut plans," REUTERS, 1 October

2010; "IMO energy efficiency rules caught in geopolitical stand-off," CARBON POSITIVE, 4 October 2010.

FISHERIES

US Moves to bring Tuna-Dolphin Spat with Mexico to NAFTA

The US government has called for the creation of a dispute settlement panel under the North American Free Trade Agreement (NAFTA) to rule on Mexico's decision to pursue a complaint about US labelling rules for 'dolphin safe' tuna at the WTO rather than under NAFTA.

Washington contends that Mexico's decision to pursue the case at the WTO violates a NAFTA clause allowing the US, as the target of a case concerning matters addressed by WTO and NAFTA rules on the protection of human or animal life or the environment, to choose to have the dispute considered solely under NAFTA procedures (NAFTA Article 2005).

The US trade representative's office announced on 24 September that Washington had petitioned the NAFTA Free Trade Commission, a group of senior officials that meets yearly to oversee the agreement's functioning and to resolve disputes, to establish a dispute settlement panel to examine Mexico's choice of forum.

Mexico says its tuna is dolphin safe

The most recent episode in two decades of disagreements between Mexico and the US on tuna trade and the protection of dolphins stems from a March 2009 request by Mexico for a WTO panel to be established to examine the WTO-compliance of US requirements for tuna to be labelled as "dolphin safe" (see Bridges Trade BioRes, [20 March 2009](#)). The current case is not directly related to the 1990s disputes over a US embargo on dolphin-unsafe tuna that produced a series of controversial rulings.

At issue now is a US regulation stating that tuna caught in encircling, or "purse-seine", nets, which

often trap dolphins along with the fish, may not carry the label “dolphin safe.” The US has argued that the policy is a conservation measure. Mexico argues that its fishing fleet uses new techniques that allow purse-seine nets to be used without killing any dolphins, and that the US labelling requirement therefore needs to be changed, lest it unfairly discriminate against dolphin-safe Mexican exports (see Bridges Trade BioRes, [December 2008](#)).

A Mexican official told Bridges Trade BioRes that the US and Mexico already had a labelling agreement allowing Mexican tuna to be imported into the US. However, consumer preferences in the US meant that any tuna without the “dolphin-safe” label would not sell.

The US has invoked its right to move the dispute to a NAFTA panel under NAFTA Article 2005. NAFTA normally gives complainants the right to pick a dispute settlement forum. However, a clause in that article states that in the case of disputes pertaining to standards or sanitary and phytosanitary measures, involving factual concerns over measures taken to protect a party’s environment or human and animal health, if “the responding party requests in writing that the matter be considered under [NAFTA], the complaining party may, in respect of that matter, thereafter have recourse to dispute settlement procedures solely under [NAFTA].”

US officials claim that “NAFTA rules provide that once a responding party invokes the choice of forum provision, the complaining party must withdraw from the WTO proceedings and may pursue the dispute solely under the NAFTA.”

US motives unclear

Mexican officials believe that the US wants to move the dispute to NAFTA in order to avoid “multilateral elements” in the WTO process, such as the presence of third parties. They report that Mexico has not yet agreed to the US’s choice of forum, and that a 7 May meeting of the NAFTA Free Trade Commission was also unable to resolve the question.

Asked to speculate on Washington’s potential motivations for seeking to shift the dispute to

NAFTA, Simon Lester, of WorldTradeLaw.net, suggested that the US may simply be trying to buy time: starting up a new dispute procedure takes time, and the NAFTA dispute process, with fewer automatic steps than WTO procedures, provides more opportunity for delay. In addition, the US might find NAFTA rules more favourable to their argument than WTO ones.

While WTO rules say that technical regulations “shall not be more trade-restrictive than necessary to fulfil a legitimate objective” (TBT Article 2.2), the equivalent clause in NAFTA states that “an unnecessary obstacle to trade shall not be deemed to be created where... the demonstrable purpose of the measure is to achieve a legitimate objective.”

The WTO panel was composed on 14 December 2009; its ruling is scheduled to come out in February 2011.

ICTSD reporting.

ANALYSIS

Harmonising Energy Efficiency Requirements: Building Foundations for Co-operative Action

By Rod Janssen

To promote and accelerate the deployment of more energy-efficient technologies, countries and regions increasingly use Minimum Energy Performance Standards (MEPS) and energy labelling. A high percentage of those products are internationally traded goods. Standards and labelling aim to bring about market transformation towards energy-efficient equipment. Labelling gives important signals to consumers who may not necessarily have energy efficiency high on their list of priorities when buying a consumer product, whereas MEPS “invisibly” help remove the least efficient products on the market for the consumer.

Because of the increase in international trade, on both the global and regional level, efforts are now being made to harmonise standards – both energy performance standards and test procedures. Many of these efforts have been underway for many years. Others are just starting. At the moment, harmonisation is restricted to certain countries that have actively pursued energy efficiency policies. This has left many developing countries on the sidelines to some extent.

Climate change, along with energy security and other energy-related environmental problems, are overarching global concerns that are increasingly causing all countries to get involved. However, developed countries have lagged behind in implementing some policies that can have a major impact on greenhouse gas (GHG) emissions, such as improved energy efficiency. The full version of this report attempts to put these policies and initiatives into context, considering the implications of all these efforts on developing countries in particular.

Research shows that harmonisation of standards and labelling for energy-using products is expanding globally, although to date much of this harmonisation is being done on a regional basis, not a global one. This harmonisation is for test procedures, minimum energy performance standards, and product labelling. While labelling can be either voluntary or mandatory, even voluntary programmes require test procedures, which are often mandatory and minimum energy performance standards are mandatory.

Climate change driving improvements on standards, labelling

There is a strong policy framework for efforts to improve energy efficiency standards and labelling on a wide range of traded goods. Much of this work is now being driven by climate change concerns, but there are other policy considerations that are also important, such as energy security, local air quality and balance of payments. Trade itself is also a driver of these efforts, primarily intra-regional trade (i.e., within Europe). However these programmes also have an impact on international trade, given that importers have to meet the same standards and labelling requirements.

Harmonisation of these standards occurs at both governmental and non-governmental levels with industry generally participating quite well in the process and typically falling in line with new developments. The harmonisation of test procedures is very important although it is not given a high enough priority in many countries. Test procedures, often implemented through international standards bodies, form the foundation for future minimum energy performance standards and labelling.

For large developing countries, there have been many new developments that are being increasingly recognised internationally. Climate change is a big driver of these efforts. In China, for example, more products are being labelled. There are now more mandatory labels, following the initial voluntary approach and more minimum energy performance standards are also being implemented. While there are still implementation issues that need to be addressed, by and large much progress is being made.

OECD countries have been very active in the last 10-15 years with minimum energy performance standards and labelling. Many countries are revising standards for the first time in several years and there is a growing realisation that revisions need to be made on a regular basis due to constant improvements being made to technology.

Strong policy framework “essential”

The situation is mixed for smaller developing countries. The problems are largely policy related; making capacity and resources available is in part related to policy commitment. Also, there are many benefits to developing countries that go unrealised – in many cases due to lack of awareness. Both bilateral and international support is available to help developing countries, though in many cases this is still in the early stages.

There needs to be greater awareness amongst both decision-makers and economies as a whole that a strong energy efficiency policy framework is essential in even the least developed countries. This is particularly important for both climate change and energy policy reasons.

Trade is fundamental for the deployment of energy-efficient products. Economies need to be open to the introduction of energy-efficient technologies. This can happen, not by the introduction of “defensive” strategies (i.e., attempting to avoid the import of inefficient products), but rather by mirroring efforts being undertaken in OECD and other major developing countries.

Developing countries must develop national energy efficiency policies – not just in relation to mitigation through the Clean Development Mechanism (CDM) – in the context of climate change. If this occurs, the “technical” base (e.g. test procedures, development of other standards) could then have a better opportunity for expansion.

Trade can become an even bigger driver if international trade in energy-using products and products that affect energy consumption (e.g., efficient windows, insulation and tyres) expands rapidly into more and more markets in developing countries.

The current situation can be seen as a barrier for countries that are poorly involved in current harmonisation efforts. In the context of a global climate change approach, it is right for developing countries to participate more fully, since there are important mitigation and adaptation reasons for them to have a more rigorous approach. This involvement will also be important in the case of any technology transfer commitments that come out of the UNFCCC/Kyoto Protocol process.

OECD countries and international organisations need to encourage developing countries to get more involved in assistance on policy development in climate change and energy efficiency, technical assistance in all aspects of the standards development and implementation process, financial assistance to help in standards development and implementation, and the exchange of best practices.

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

IN BRIEF

Brussels Delays Possible Trade Barrier Ruling on Canadian Oil Sands

The EU will delay the possible implementation of trade barriers against fuel derived from Canada’s oil sands, according to a document leaked to Reuters news service. Amid pressure from Canada, the European Parliament’s Environmental Committee has pushed back a ruling on the issue until December 2011, according to the document.

Deposits of Canadian sand oil – technically referred to as bitumen – cover an area of approximately 140,000 square kilometres in remote northern areas of the province of Alberta. Environmentalists have long cautioned that the elaborate extraction process of bitumen poses a threat to forests, waterways, and biodiversity. Moreover, because the process to extract oil from bitumen deposits requires large inputs of power, fuel from Canada’s oil sands is known to have a large carbon footprint.

Nevertheless, the area has attracted high levels of investment, as increasing oil prices have enabled it to be profitably extracted in recent years. But some European governments say the fuel is not in line with Brussels’ fuel quality directive.

“If you know the number for investment in tar sands in the coming years: it’s 379 billion Euros,” said Dutch MEP Bas Eickhout. “If the Commission does not send out a signal now that we are putting forward a value on tar sands, we are giving the wrong signal.”

The Environmental Committee, which is responsible for calculating greenhouse gas emissions for different fuels, initially gave bitumen gas a greenhouse gas (GHG) value of 107 grams per megajoule of fuel. This number far exceeds the levels assigned to both diesel at 87.4 grams and petrol at 85.8 grams.

“Such a system would be extremely difficult to implement and monitor, and would in itself create

barriers to trade,” Canadian Ambassador Ross Hornby wrote in a letter to an EU Commissioner. “A separate category for oil sands, therefore, is not science-based and would amount to unjustifiable discrimination against the oil sands,” he wrote to a separate Commissioner.

European environmentalists fear that the inability to swiftly implement proper legislation could open the European market to bitumen and thwart the EU’s goal of cutting carbon emissions in the next decade by 20 percent from 1990 levels. They argue that treating sand oil like any other source of oil will cause deleterious effects on the environment.

EU members of parliament have accused the Commission of succumbing to Canadian industry, amid a series of WTO dispute settlement cases, including, most recently, an EU ban on seal products (see Bridges Trade BioRes, [10 September 2010](#)). Some observers say the EU hopes to avoid excessive conflict with Canada, as they are in the midst of free trade talks.

The Commission had initially accepted the 107 value for sand oil, but has since abandoned the number, claiming that the science is not definitive. Members of European Parliament say there are 12 scientific studies that put the impact of the oil close to 107 grams, according to Reuters.

Nonetheless, Canada has already expressed to EU environment officials that an attack on their sand oil industry could lead to barriers to trade, thus prompting Europe to back down.

“We are saying that by the end of 2011, which is not so far away, there will be a default value for tar sands,” said Phillip Owen, a top climate official in the EU Commission. “This is already a very clear sign to the industry.”

ICTSD reporting; “EU Delays Green Barrier to Canada Oil Sands,” REUTERS, 5 October 2010; “Eyes of the world are watching Alberta,” EDMONTON JOURNAL, 3 October 2010; “EU Commission Accepts to Lift Barriers to Canadian Oil Sands,” EUROPARLEURO.EU, 5 October 2010; “Stuck on fuel classification,” EUROPEANVOICE.COM, 30 September 2010.

WTO’s CTE Explores Carbon Footprinting

As retailers seek to appeal to climate-conscious consumers, there has been a proliferation of labels providing information about products’ impact on the atmosphere.

Initial attempts were clumsy. By focusing solely on whether produce had been air-freighted or transported across a large distance, labels were being unfair to exporters (especially those in developing countries) whose production processes were in fact highly carbon-efficient. These simplistic approaches have been giving way to the consideration of a good’s entire carbon footprint.

With the carbon footprint of products a growing factor in shaping export opportunities, WTO members have taken an interest in how these footprints are assessed, and have started to discuss them in the global trade body’s Committee on Trade and Environment (CTE). At a 29 September meeting of the committee, they discussed a variety of initiatives for measuring carbon footprints.

Members discussed their experiences with different schemes. Some made factual presentations about the way their schemes work. New Zealand, which has argued that the low carbon-intensity of its agricultural products more than offsets the long distances that separate them from export markets, presented its national greenhouse gas footprinting strategy, which covers a product’s entire supply chain. Chile, another country that is far away from the principal customers for its exports, presented different approaches to measure and reduce the carbon footprint of its wine, farm, and mining sectors.

The existence of many different methodologies for calculating carbon footprints has given rise to fears that they could be manipulated to serve as trade barriers. Several members called for greater transparency and more work towards harmonisation.

Eco-labels can be problematic for small producers in developing countries who may lack the technical or financial wherewithal to prove that

they meet the label's requirements. Carbon footprints were first discussed in the CTE early this year, at the behest of several countries.

The meeting, which was in the CTE's 'regular', non-negotiating, mode, also saw a presentation on the UN climate negotiations by an official from the by a representative from the UN Framework Convention on Climate Change. The official said that trade was not likely to figure prominently at the climate summit in Cancun later this year, sources say. On the other hand, he suggested that agreements were possible on formalising mitigations targets and creating a financing fund for mitigation and adaptation projects.

The next CTE regular session is scheduled for 9 November.

ICTSD reporting.

Brussels' Plan for GM Crop Flexibilities Panned at Recent Meeting

Plans to revamp the EU's policy on how countries nationally regulate genetically modified (GM) crop cultivation drew sharp criticism from both sides of the issue at a 27 September meeting in Brussels. The EU Council on Agriculture and Fisheries meeting, which discussed issues related to GM crops saw several member states argue that such a policy shift contradicts the principle of an EU single market.

"Italy does not support the proposal," said Giancarlo Galan, Italy's Minister of Agriculture. "Each for himself undermines the foundations of the common agricultural policy (CAP)."

In July, the European Commission recommended that member states have greater freedom when deciding whether or not to allow domestic growth of genetically engineered crops (see Bridges Trade BioRes, [23 July 2010](#)). The Commission proposed changes to the policy as a way to escape a deadlock which has divided the EU for more than a decade.

Although there is no collective agreement between EU nations regarding biotechnology, the common consensus in Brussels was that a uniform policy should be put in place.

Opponents of GMOs argue that there is no conclusive proof that modified crops are safe for human consumption. Member states including Austria, France, Italy, Poland, Greece, Hungary and Ireland have all placed some type of ban on the cultivation of altered crops over the past several years. On the other hand, nations such as the United Kingdom, Spain, Sweden and the Czech Republic have been relatively receptive to the idea of GM cultivation.

However, even countries open to the idea of cultivating GM crops expressed concern over the Commission's proposal.

"Moving to authorisations by each country could take us to the beginning of re-nationalisation, something we have never supported in Spain," said Elena Espinosa, Spain's Minister of Agriculture.

In addition to fears that such a move might undermine the spirit of the single market, some countries say the proposal is inconsistent with WTO rules.

But John Dalli, the EU's Health Commissioner, dismissed these fears, arguing that the proposal could help overcome rifts with the WTO. "It is the present situation which creates problems with the WTO," Dalli said. "Europe cannot stand idle and deny itself the political responsibility to take decisions and implement a policy of responsible innovation."

According to a 2008 survey, 58 percent of Europeans oppose GM foods, while just 21 percent are in favour of the so-called " Frankenfoods." Supporters of altered crops argue that they have higher yields, resist pests and require less pesticides and herbicides. Regardless, the perception of genetically engineered crops remains negative among Europeans.

A final decision on the Commission's proposal awaits a 14 October meeting of EU environment ministers in Luxembourg.

ICTSD reporting; "EU governments slam Brussels' GM crops plan," EURACTIV.COM, 28 September 2010; "EU nations reject 'a la carte' solution to GM impasse," AFP.COM, 27 September 2010; "Little agreement on commission GMO proposal," EUOBSERVER.COM, 27 September 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 two weeks (8 – 22 October)

10-15 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 overall objective of the Forum is to raise awareness and mobilise effective commitment and actions on the part of all stakeholders and partners at all levels to effectively mainstream climate change concerns into development policies, strategies, programmes and practices in Africa. The Forum also aims to strengthen Africa's participation in international climate change negotiations with a view to ensuring adequate reflection of the continent's concerns and priorities in a post-2012 international climate change regime. 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 the first time, the Timber Committee Market Discussions and Policy Forum will be held jointly with the international Society of Wood Science and Technology. The theme of the week is "Innovative wood products are the future". For more information visit the [event website](#).

13-15 October, Santo Domingo, Dominican Republic. V LATIN AMERICAN CARBON FORUM. The Latin American Carbon Forum is a regional platform established to promote knowledge and information sharing on the Clean Development Mechanism (CDM) while facilitating business-opportunity environments among main carbon market stakeholders. This Forum is organised by the UN Environment Programme (UNEP) Risøe Centre, the World Bank, the Latin American Energy Organisation (OLADE), the UN Conference on Trade and Development (UNCTAD), the Inter-American Development Bank (IDB) and International Emissions Trading Association (IETA). Specifically, the V Latin American Carbon Forum aims to update different views associated with the challenges involving climate change and the most recent developments in the international carbon market, among other issues. For more information visit the [event website](#).

14-15 October, Geneva, Switzerland. GSI-UNEP CONFERENCE ON INCREASING THE MOMENTUM OF FOSSIL-FUEL SUBSIDY REFORM. The Global Subsidies Initiative (GSI) and the UN Environment Programme (UNEP) are holding a two-day conference, titled "Increasing the Momentum of Fossil-Fuel Subsidy Reform: Developments and Opportunities," to bring together country delegates and experts from international organisations, NGOs, universities and the industrial sector. The event will feature representatives from international organisations such as the OECD, UNEP, World Bank, WTO and OPEC, as well as international forums such as G-20, APEC and the Friends group of countries that support reforming fossil-fuel subsidies, who will share and review their perspectives and

activities. It will discuss not only the scale and impacts of consumer and producer subsidies, but especially focus on international developments, reform strategies and opportunities for enhanced international cooperation. For more information visit the [event website](#).

18-29 October 2010, Nagoya, Japan. CONVENTION ON BIOLOGICAL DIVERSITY TENTH CONFERENCE OF THE PARTIES (CBD COP 10). This event will allow all parties of the Convention on Biological Diversity to meet and discuss further implementation of the Protocol. In order to evaluate current progress, participants will develop a Revised Strategic Plan (including a biodiversity target and indicators), a Global Strategy for Planet Conservation, and a strategy for resource mobilisation. Moreover, this meeting will be used to consider in-depth issues such as inland water biodiversity, marine and coastal biodiversity, mountain diversity, protected areas, sustainable use of biodiversity, and the effects of climate change on biodiversity. Other topics that will be considered for discussion are agricultural and forest biodiversity, invasive alien species, biofuels and biodiversity, the Global Taxonomy Initiative, and incentive measures. For more information visit the [conference website](#).

ICTSD Side Event – 19 October, Nagoya, Japan. ENCOURAGING SUSTAINABLE USE THROUGH TRADE AND INTELLECTUAL PROPERTY RIGHTS: SOUTH-SOUTH EXCHANGE OF LESSONS LEARNED. ICTSD and GTZ are jointly organising a side event at the CBD COP 10 in Nagoya, Japan. The session will highlight emerging good practices and pinpoint streams of action as to strengthen mutual supportiveness of international policies and regimes for biodiversity protection and economic development. Experts and project partners of ICTSD, GTZ and the UNCTAD-UNEP Capacity Building Task Force on Biotrade will make cutting edge inputs on pertinent issues at the intersection of trade, IP and biodiversity, supported by recent publications and documentation. For more information visit the [event website](#).

Other Upcoming Events

25-27 October, Moscow, Russia. IEA ENERGY EFFICIENCY AND CLEAN COAL

TECHNOLOGIES WORKSHOP. This workshop will discuss clean coal technologies and policy to improve the efficiency of coal-fired electricity generation and carbon capture and storage (CCS), concentrating on the particular circumstances of the Russian Federation. Taking place in multiple venues, including the Skochinsky Institute of Mining and the All-Russian Thermal Engineering Institute, key Russian stakeholders and international actors will participate to review methods to maximise the utility of coal use and reduce the environmental impact of coal energy generation. For more information visit the [event website](#).

2-3 November, Cairo, Egypt. FIFTH ITU SYMPOSIUM ON ICTs AND THE ENVIRONMENT AND CLIMATE CHANGE. The International Telecommunication Union's (ITU) fifth Symposium on Information and Communication Technologies (ICTs) and the Environment and Climate Change will be hosted and co-organised by Egypt's Ministry of Communications and Information Technology and Ministry of State for Environmental Affairs. It will focus on the issue of ICTs, the environment and climate change in Africa, as well as the needs of developing countries. The symposium will issue the "Cairo Road Map," a set of recommendations for action in relation to ICTs, the Environment and Climate Change. For more information visit the [event website](#).

24-26 November, Tokyo, Japan. ADBI-OECD ROUNDTABLE ON INNOVATION FOR BALANCED AND SUSTAINABLE GROWTH. This roundtable is co-organised by the Asian Development Bank (ADB) Institute and the Organisation for Economic Co-operation and Development (OECD). It will deal with the following issues relating to innovation: innovation today; innovation for balanced and sustainable growth; making innovation work for development; seizing the benefits of the global value chain at the local level; green growth, innovation and technological transfer; and international cooperation for innovation. For more information visit the [event website](#).

24-26 November, Delhi, India. CONFERENCE ON THE ENVIRONMENTS OF THE POOR: RESPONDING TO CLIMATE CHANGE

AND THE GREEN ECONOMY – MAKING SUSTAINABLE DEVELOPMENT MORE INCLUSIVE. The Delhi conference will review the linkages between the environment and poverty reduction from a spatial, climate change, and green economy perspective. It will provide knowledge sharing from country, sector and thematic studies and operational examples relevant for upscaling. It intends to influence policy makers – especially in finance and planning as well as sector experts and representatives of cities – to focus more on the environments of the poor.

4-5 December, Cancun, Mexico. WORLD CLIMATE SUMMIT. The UN Global Compact and the UN Environment Programme Finance Initiative (UNEP FI) are the strategic UN partners of the World Climate Summit, which will be held during the 16th session of the Conference of the Parties to the UNFCCC (COP 16), to be held in Cancun, Mexico. The Summit will convene business, finance and government leaders to discuss how to accelerate and collaborate on economic solutions to climate change. For more information visit the [event website](#).

6-7 December, Paris, France. OECD GLOBAL FORUM ON BIOTECHNOLOGY. The Organisation for Economic Cooperation and Development (OECD in partnership with the UK's Economic and Social Research Council's (ESRC) Genomics Network (EGN)) will host a major conference on 6-7 December 2010 at the OECD Headquarters in Paris. This Forum will review how knowledge in the life sciences is governed, shared, regulated and managed, and to explore new linkages between the life sciences and information and communication technologies. This event is the first time the OECD has taken a systematic look at what the social sciences can bring to their policy-making and experience in this key area. Conference discussions will feed directly into the agenda of the OECD's working party on biotechnology, as well as showcasing 8 years' worth of original EGN research and taking a forward look to new key questions at the intersection of science and society. For more information visit the [event website](#).

15-17 December, Beijing, China. FIFTH INTERNATIONAL CONFERENCE ON

WASTE MANAGEMENT AND TECHNOLOGY. Organised by the Basel Convention Regional Centre for Asia-Pacific, this conference will address the themes of: environmental management of and technology for, electrical and electronic waste; municipal sewage sludge management and technology; municipal solid waste management and technology; hazardous chemicals waste management and technology; and studies and experiences on available techniques and environmental practices of waste disposal. For more information visit the [event website](#).

Resources

PROSPECTS FOR MAINSTREAMING ECOSYSTEM GOODS AND SERVICES IN INTERNATIONAL POLICIES. Netherlands Environmental Assessment Agency (PBL) and the International Institute for Sustainable Development (IISD). August 2010. This publication reports on how the degradation of ecosystems worldwide threatens local and regional supplies of food, forest products, fresh water and biodiversity. Although most decisions that directly affect ecosystem management are made locally, these decisions are influenced by national and international policies. This study shows how local delivery of ecosystem goods and services (EGS) is closely linked to international policies on development cooperation, trade, climate change, and reform of international financial institutions. Integrating or mainstreaming EGS considerations into these policies provides significant opportunities for reducing poverty, while simultaneously improving the quality of local EGS. Furthermore, mainstreaming EGS in international policies can contribute significantly to achieving policy objectives on biodiversity and sustainable management of natural resources. This publication is available [online](#).

FORESTS AND SOCIETY: RESPONDING TO GLOBAL DRIVERS OF CHANGE. By the International Union of Forest Research Organisations (IUFRO) special project on World Forests, Society and Environment (WFSE). This book indicates that many of the world's forests and forestry are undergoing far reaching changes.

An increasing number of global, complex, interacting environmental and socio-economic drivers of change affect forests and society. This book focuses on identifying the main global drivers of change and their direct and indirect effects on forests, forestry and forest dependent people. It proposes ways to reduce the adverse effects of these drivers and to take advantage of the benefits and opportunities they might bring. The book can be downloaded [online](#).

SIDS POLICY & PRACTICE: A KNOWLEDGEBASE ON THE SUSTAINABLE DEVELOPMENT OF SMALL ISLAND DEVELOPING STATES. The Institute for Sustainable Development (IISD) recently launched a new project that reports on activities related to the sustainable development of Small Island developing States (SIDS). The project is conducted in close cooperation with the [United Nations Department of Economic and Social Affairs \(DESA\)](#), in conjunction with the revitalisation of [SIDSNet](#), in support of the Barbados Programme of Action, which called for support for “the development of a small islands’ sustainable development information network to facilitate the exchange of experience among small island developing states.” Features of the website include a knowledgebase of summaries of activities (publications, meetings, statements or projects), a clickable world map, enabling viewers to see the latest SIDS news by region, a calendar of upcoming intergovernmental events related to SIDS, and much more. To access the website, click [here](#).