



Bridges Trade BioRes

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

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FISHERIES

Libyan Unrest Prompts Sustainable Fishing Concerns

Brussels is calling for closer monitoring of fishing activities in Libyan waters, citing concerns that the chaos of war will lead to a free-for-all in bluefin tuna fishing, with the short annual season already underway. As political turmoil in the country has ruled out the possibility of international observers being present aboard the Libyan fleet, catches will be undocumented and, as such, are prohibited from trade, landing, import, export, and transshipment by the EU.

"On this basis, bluefin tuna caught by the Libyan fleet will be well on track to be deemed illegal," said EU fisheries chief Maria Damanaki. "I therefore urged EU ministers to monitor the fishing activities of these vessels."

Catch quotas for the prized fish, whose numbers have plummeted in recent decades, were lowered to 12,900 tonnes last November – barely unchanged from 13,500 tonnes in 2010 – by the Madrid-based International Commission for the Conservation of Atlantic Tunas (ICCAT).

The November meeting of ICCAT, which governs Atlantic tuna fishing, witnessed fierce debate over setting quotas, with environmentalists calling for far deeper cuts (see Bridges Trade BioRes, [14 December 2010](#)). Of the 12,900 tonne total, Libya is entitled to 902.

The bluefin fishing season runs from 15 May to 15 June. However, modern fishing vessels have become so adept at locating the large species that those quotas can be met in as few as ten days.

Conservation organisations WWF and Greenpeace say that extra monitoring will be

insufficient and are instead calling on ICCAT to suspend this year's industrial purse-seine bluefin fishing season in light of the ongoing turmoil in Libya.

"The current unrest in Libya means there is no chance of effective monitoring and enforcement of the fishery in its waters, risking fatally undermining an internationally agreed recovery plan for the severely overfished species," the groups said in a joint statement.

Libyan vessels in France, Malta

An issue complicating matters is the presence of Libyan flagged fishing vessels in French and Maltese ports. Greenpeace and WWF say that while the vessels may be owned by non-Libyan interests, their flagging precludes them from participating in this year's season because Tripoli failed to submit a fishing plan to ICCAT, as required. The boats are nonetheless reported to be ready to set sail for the Libyan fishing zone from Sète in France, with others believed to have already left port from Malta.

Paris has already announced that the 10 Libyan-flagged tuna vessels in Sète are not authorised to catch bluefin tuna if ICCAT has not approved Libya's fishing plans.

"Responsible members of ICCAT must rally to do what is necessary to save this species and fishery," said Sergi Tudela, head WWF's Mediterranean fisheries programme. "Only vigorous action now can prevent Atlantic bluefin tuna from plunging into a new Dark Age before it has even emerged from the last one."

Bluefin tuna is prized in Japan where it is used to prepare high-grade sushi. Some 90 percent of Mediterranean tuna is exported to the Japanese market. However, fears over plummeting stocks in recent years have prompted environmentalists to advocate strongly for tougher measures to reduce catches and prevent trade (see Bridges Trade BioRes, [19 March 2010](#)).

On Friday, Washington notably placed the Atlantic bluefin tuna on an environmental watchlist as a "species of concern" while it

determines how the fish has been impacted by the Deepwater Horizon oil spill. The National Oceanic and Atmospheric Administration (NOAA) said it is important to keep tabs on the species, but does not consider it a "threatened" or "endangered species" at this time.

"While the NOAA team found that presently available information did not support listing, it also recognised the need to continue to monitor the potential long-term effects of the spill on bluefin tuna and the overall Gulf ecosystem," Eric Schwaab, of NOAA's Fisheries Service, told reporters.

The NOAA will revisit the decision by early 2013.

Italian sting reveals widespread use of driftnets

In related Mediterranean fisheries news, Italian fisheries management has come under scrutiny following the discovery of widespread use of banned driftnets by maritime fishing vessels, with the co-operation of local authorities. The finding came from a sting operation conducted by Brussels inspectors, who sometimes posed as tourists on the islands of Sicily and Ponza.

According to the inspectors, some of the offending vessels had received official subsidies meant to offset losses from discontinuing the use of driftnets. The fishing practice was largely banned by the EU in 2002 due to the likelihood of ensnaring bycatch, such as dolphins, turtles, and whales.

Two years ago, the European Court of Justice ordered Italy to abide by the EU driftnet ban. A spokesman for Damanaki said that there could be "high fines" if Italy is found to have breached the order. An unnamed Italian official told the Financial Times that the fine could be as high €100 million – similar to a fine doled out to France in 2005 for breaching fishing rules.

Despite the alleged complicity of Italian authorities in the case, their coastguard has seized more than 3,000 km of illegal nets since 2002.

On 25 May, Damanaki announced that Brussels would be taking action to prevent fishermen from taking advantage of poor data on dwindling fish stocks.

"Sufficient scientific data is still missing for the majority of the stocks, mainly due to inadequate reporting," said a statement from Damanaki's team at the European Commission. "The Commission will therefore be using a new method for setting fishing limits, notably cutting levels where insufficient data exist."

The statement said the approach would help phase out overfishing and encourage better data collection and reporting.

ICTSD Reporting; "Libya: Green groups sound alarm over tuna stocks," THE INDEPENDENT, 15 May 2011; "EU agents target illegal Sicilian tuna fishing," FINANCIAL TIMES, 20 May 2011; "EU Fishing Head Wants Crackdown On Libya Tuna Trade," REUTERS, 19 May 2011; "EU Wants Safety-First Approach To Fishing Quotas," REUTERS, 26 May 2011; "Atlantic Bluefin Tuna On U.S. Environmental Watchlist," REUTERS, 30 May 2011.

FORESTRY

Jakarta Approves Moratorium on Primary Forest Clearing

The president of Indonesia, Susilo Bambang Yudhoyono, on 19 May signed into law a two-year moratorium on new permits to clear primary forests throughout the country. The moratorium is a portion of a US\$1 billion deal with Norway to stop deforestation and forest degradation in the region in hopes of cutting emissions, slowing the expansion of plantations, and fighting climate change.

The moratorium halts all new permits for logging and primary forest and peatland conversion. While industries such as timber, mining, and palm oil initially argued that the moratorium would negatively impact production, environmental

groups contend that the approved measures do not go far enough and allow enormous loopholes for business.

"This is a bitter disappointment," Paul Winn of Greenpeace Australia-Pacific told Reuters. "It will do little to protect Indonesia's forests and peatlands."

The president's signature on the moratorium was due on 1 January, but the deadline passed leaving uncertainty as to when the next stage of the deal would move forward (see Bridges Trade BioRes, [24 January 2011](#)). Reportedly, internal disputes within government ministries regarding the extent of the protection are to blame for the delay. Concessions – such as the exemption permits already granted by the forestry ministry – were amassed in the past 5 months reportedly due to extensive lobbying by the US\$30 billion global palm oil sector and other key industries.

"I don't think (the moratorium) for us makes any difference because we have quite a lot of land bank," Sebastian Sharp, head of investor relations at Jakarta-listed BW Plantation told Reuters. "Our land bank is about 98,000 hectares. It all has permits."

Government figures estimate that 64 million hectares of primary forest and peatland will be shielded until 31 December 2012. However, 35 million hectares of that were already under protection. And according to Greenpeace Southeast Asia, 40 million hectares of Indonesian forest remain open for deforestation because the decree only protects primary forests instead of all natural forests as called for in the letter of intent signed with Norway in 2010.

"The bottom line here is that the government is appearing to inflate the impact the decree will actually have," wrote Ahmad Maryudi, executive director of the Institute for Forest Policy and Environmental Studies in an op-ed in the [Jakarta Globe](#).

While the moratorium has been the subject of criticism by many, it marks a change in Indonesian policy towards forest and peatland conservation.

It also forces the fast growing palm industry to increase productivity and yields per hectare.

“It’s a stepping stone toward fixing long-standing problems of land conflict, forest governance and other issues,” said Dharsono Hartono, whose firm is developing a project to protect a large area of carbon-rich peat swamp forest in Indonesian Borneo.

ICTSD Reporting; “Indonesia Finally Signs Forest Clearing Moratorium,” REUTERS, 20 May 2011; “Indonesia’s moratorium disappoints environmentalists,” MONGABAY, 20 May 2011; “Analysis: Land banks buffer Indonesian palm oil from forest ban”, REUTERS, 25 May 2011.

INTELLECTUAL PROPERTY

WIPO Patent Committee Looks at Public Health, Tech Transfer

Intergovernmental talks at the World Intellectual Property Organisation (WIPO) plodded forward as countries debated patents and public health, technology transfer, and exceptions and limitations to patents. The 16-20 May meeting of WIPO’s Standing Committee on the Law of Patents (SCP) often saw developed countries and developing countries at odds; nevertheless, some compromise was reached and most countries felt “optimistic about the way forward”.

The SCP session, the last before WIPO’s annual General Assembly in September, was chaired by Albert Trampusch, from the US Patent and Trademark Office. His election caused some controversy after a number of developing countries alleged that Trampusch was favouring developed countries in the negotiations while being quick to dismiss developing country proposals.

Patents and public health proposal makes some headway

One of the most important topics addressed during the week-long session was a [proposal](#) by

the African Group and the Development Agenda Group (DAG)’s for a work programme on patents and health aimed at boosting the capacities of member states to take full advantage of flexibilities in international intellectual property rules.

The DAG, which consists of around 20 developing country members including Brazil, Egypt, India, and Indonesia, aims to mainstream development concerns into all aspects of WIPO’s work.

Arguing that “the patent system should be consistent with fundamental public policy priorities and in particular the promotion and protection of public health,” the 20-point proposal comprises three main elements: commissioning of studies by independent experts, increasing information exchange, and enhancing technical assistance (especially to developing countries and LDCs). The work programme would enable them to “adapt their patent regimes to make full use of the flexibilities available in the international patent system.”

International intellectual property rules typically include built-in measures affording governments latitude to deviate from standard protections under a variety of situations. One flexibility in WTO rules, for instance, gives countries the right to effectively break patents for public health and other purposes. However, very few developing countries make full use of such flexibilities, because they lack the national policy infrastructure to implement these measures. And many bilateral and regional trade agreements include intellectual property provisions that go far beyond those in the WTO’s Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), such as exclusive protection for clinical test data for drugs that delay the entry of generic competitors into the market.

The proposal affirms that bilateral and regional trade agreements should not restrict the use of TRIPS flexibilities if public health is to be protected.

Brazil, who forms a part of the DAG, noted that the proposal is “very much in line with WIPO Development Agenda Recommendation 22”,

which states that WIPO should address in its norm-setting activities issues such as “potential flexibilities, exceptions and limitations for Member States” and “the possibility of additional special provisions for developing countries and LDCs.”

South Africa, speaking on behalf of the African Group, made clear that “underpinning the Development Agenda recommendations is the need to address the asymmetrical relations between IPR holders and public use.”

Chair Tramposch referred to the proposal as “comprehensive and well thought out.”

Hungary, on behalf of the EU, argued it was important to avoid duplication of work already done in other UN agencies like the WHO or the WTO in the areas of public health and patents and within WIPO itself. Representatives from all three organisations presented work already undertaken, including a WIPO patent-scoping study on patents in relation to pandemic influenza.

Developing countries, however, countered that existing work was not taking place in an “intergovernmental format,” as their project proposed.

In a statement, Knowledge Economy International, an NGO, supported the African Group/ DAG proposal, and stressed that “there can be no realistic expectation of universal access to life saving medicines and other medical technologies unless governments can issue or threaten to issue compulsory licenses to patents, and take other steps to enable competition for products.”

Consensus on technology transfer study reached after unforeseen challenge

Last week’s talks were marked by surprise as India, on behalf of the Development Agenda Group, proposed unexpected changes to an updated study on technology transfer, claiming that it had failed to address patents as barriers to technology transfer. In India’s view, the report was therefore biased towards only the positive elements of patents.

The study’s intention, as stated in the WIPO document presented to member states, had been “to contextualise various issues relating to transfer of technology in a holistic matter, and contains no conclusions.”

India proposed that a team of experts evaluate obstacles to technology transfer beyond those covered in the initial study. However, this proposal sparked substantial resistance from the US and other developed countries, which argued that framing the issue in such a way was “not neutral and presupposes the outcome of the study.”

Countries later agreed to the WIPO Secretariat hosting a seminar on the issue on margins of the next SCP, as part of WIPO’s seminar series on economics. Tramposch assured countries that “a couple of days after the seminar a summary of the proceedings would be posted on the website of WIPO’s chief economist.”

In the end, India said it was content with the compromise reached and was glad that “the SCP has started an important and necessary discussion,” but reiterated that “the issue of technology transfer is at the heart of the fundamental trade-off inherent in the patent system.”

Similarly, other developing countries said they “looked forward to translating these discussions into meaningful efforts,” while developed countries accepted the consensus but cautioned to avoid the duplication of efforts in all areas of WIPO.

Patent quality and exceptions and limitations discussed

Earlier in the week, Canada and the United Kingdom put forth a proposal on patent quality, focusing on technical infrastructure development, information exchanges, and process improvement.

According to the proposal, enforcing patent quality means that patent offices would ensure that the patents they grant “meet the standards that foster the policy objectives of the patent system.” It contends that focusing on patent

quality will further the aims of the Development Agenda, and that patent quality is “a key aspect of how the patent system functions in order to deliver economic and social policy objectives.”

Many developing countries fear that this may mean efforts towards global patent system harmonisation, which could adversely affect countries without the same level of infrastructure as some developed countries. South Africa highlighted this point and asked “the SCP to take into account the different levels of development among Member States.”

Another subject of debate last week was exceptions and limitations to patent rights. Discussions focused particularly on a draft questionnaire prepared by the WIPO Secretariat intended “to facilitate the exchange of information on exceptions and limitations provided in national and regional laws.”

The questionnaire arose from a proposal made by Brazil at an earlier SCP session, and was meant to survey different policies as a first step towards understanding exceptions and limitations at the national and regional levels. The questionnaire included questions relating to private and/or non-commercial use, preparation of medicines, use of articles on foreign vessels, and compulsory licensing among others.

Many developing countries view exceptions and limitations as a powerful tool to further access to knowledge in particular, enriching human resources and facilitating economic growth.

In addition to the questionnaire, countries considered a summary of an experts’ study on exclusions, exceptions and limitations commissioned by the WIPO Secretariat in 2009. The study provided further basis for the discussion, though some developed countries felt that there was a need to better define possible exceptions before carrying on with the questionnaire exercise.

Brazil stated that they felt that the study and the draft questionnaire were both “very positive first steps,” but urged countries to keep in mind that

these are only preliminary steps towards exploring the issue of exceptions and limitations.

ICTSD reporting. “The Use of Flexibilities in TRIPS by Developing Countries: Can They Promote Access to Medicines?” WORLD HEALTH ORGANIZATION COMMISSION ON INTELLECTUAL PROPERTY RIGHTS, INNOVATION AND PUBLIC HEALTH, August 2005; “WIPO Members Discuss Patent Quality, Public Health, Exceptions” IP WATCH, 17 May 2011.

ANALYSIS

ICTSD Brief on Trade and Climate Change Linkages

Trade, climate change, and the policies addressing the two areas, interact in many important ways. These interactions can be classified into four categories of trade and climate change linkages: climate change physically affecting trade (patterns and volume); trade affecting climate change, both directly (international transport contributing to greenhouse gas emissions) and indirectly (trade-induced growth affecting production and policy priorities); climate change policies affecting trade; and trade policies as a mechanism to address climate change.

Biophysical climate change impacts can be expected to alter the productive capacity of countries worldwide. Impacts on agriculture, fisheries, and societies will alter the comparative advantages that determine countries’ export specialisations and trade patterns. In addition, an increase in extreme weather events related to climate change threatens the infrastructure necessary for trade. Thus, climate change affects trade and alters trade patterns as countries react, adapt, and adjust to the current or potential impacts. Climate change will be particularly serious for the agricultural sector, raising food security and economic development concerns for many countries, especially in the developing world.

Trade can also directly and indirectly affect climate change. For example, international transport, an essential component in trade, is a direct contributor to greenhouse gas emissions (GHG); even business as usual in this sector will increase emissions as consumption continues to grow worldwide. Moreover, trade-induced growth, with resulting production and consumption increases will cause GHG emissions to rise. At the same time, growth can constructively alter policy priorities and enable governments to address sustainable development issues. These indirect effects are extremely important, but also very complex and therefore heavily debated.

Policies designed to address climate change can affect trade. Examples of such policies are carbon taxes, emissions trading schemes, border carbon adjustments, the allocation of emissions allowances free of charge, national promotion of low-carbon technologies and clean energy, technical requirements, standards and labelling schemes, and the regulation of bunker fuels. These policies, through their effects on trade, if not appropriately designed, can have negative social and economic consequences for trading partners.

Lastly, and very importantly, trade policies can be used to address climate change, both from an adaptation and a mitigation perspective. For example, the removal of trade barriers with respect to climate-friendly goods and services will make these available at lower prices and stimulate the diffusion of climate-friendly technologies, thereby strengthening the ability of countries to mitigate and adapt to climate change. In addition, intellectual property rights promote innovation in and the transfer of climate-friendly technologies.

Climate change policies affecting trade

Carbon taxes and emissions trading schemes

– Mitigation measures designed to put a price on carbon, such as carbon taxes and emissions trading schemes, can alter trade flows if they result in differing carbon costs around the world. These differing carbon costs can distort the competitive positions of emissions-intensive industries between countries. The degree of impact on trade depends on a number of factors, such as the price

of carbon, the degree of competition from firms facing a lower or no carbon cost, and the policy actions taken by other countries. These possible effects on competitiveness raise the related environmental concern that production, and thus emissions, will move to regions with no or lower carbon costs, a concept referred to as carbon leakage.

Border carbon adjustments – Border carbon measures are a way of addressing the concerns of competitiveness distortions and carbon leakage described above. These measures can take the form of either a carbon tax at the border or of an obligation for importers to buy emissions allowances. Either way, the goal is to introduce a carbon cost at the border that is equal to the domestic carbon cost. Such adjustments can significantly affect the exports of countries targeted by the measures, thereby altering important sources of income and employment. This is also true for developing countries. There is uncertainty as to whether such border measures are compatible with the law of the World Trade Organization. This would, among other, depend on the specific design and implementation of the measures. In addition, these measures raise questions with respect to how the UNFCCC principle of common but differentiated responsibilities (CBDR) would be incorporated.

The allocation of emissions allowances free of charge

– Another way of addressing the competitiveness and carbon leakage concerns arising from an emissions trading scheme, is by allocating a proportion of the emissions allowances free of charge. When inadequately designed, this allocation of allowances free of charge could negatively impact the trade of third parties. In this case, the measure would risk impairing the economic and social development of the third parties. Certain rules related to the free allocation of allowances can render them, economically speaking, into subsidies. Potential adverse effects on trade caused by subsidies to domestic industry could possibly have an impact on all other countries, beyond exports.

National promotion of low-carbon technologies and clean energy – Climate change mitigation measures in the form of

subsidies and other incentives to support the development and deployment of low carbon technologies and clean energy, may distort competition by changing the cost structure of production. As a result, exporting countries' access to the market of the subsidising country may be reduced and exports from the subsidising country may increase, distorting competition also in third countries. Thus, subsidies can affect not only the domestic market of the subsidised entities, but any market they operate in. For other countries this means that not only their exports but also their domestic sales can face competition from subsidised entities.

Technical regulations, standards and labelling schemes – Mandatory technical regulations, voluntary standards and labelling schemes can be used to differentiate or filter products on the basis of, at best, their carbon footprint. The fulfilment of the related requirements may have an impact on conditions of competition, and therefore on international trade. On the one hand, consumers may prefer products produced in a climate-friendly way in accordance with climate-related standards or carrying a climate-label. On the other hand, regulations, standards, labels and their related conformity assessment procedures may act as a barrier to trade in particular when they differ from country to country or from one retailer to another.

Bunker fuels – The regulation of bunker fuels is crucial for mitigating climate change, not only because maritime and especially aviation transport are major drivers of climate change, but also because the regulation can be an important source of finance for adaptation and mitigation efforts in developing countries. However, such regulations can have impacts on trade, and consequently on the social and economic development of countries. The regulation of bunker fuels would most likely raise the costs of moving goods and people around the globe. Developing countries situated in remote locations, such as Small Island Developing States (SIDS), and developing countries with large trade exposure, would be particularly affected by higher prices. Certain service sectors such as tourism – an important source of revenue for many of these countries – would likely be particularly affected by the costs of

emissions cuts in the international transport sector.

Trade policies as a mechanism to address climate change

Environmental goods and services – One trade policy tool available to increase the spread of climate-related technologies is the promotion of trade in climate-friendly goods and services. In practice, this involves the elimination of tariffs and non-tariff barriers on environmental goods and services, which include climate-friendly goods. Such reductions in trade barriers could facilitate access to cheaper climate-friendly goods and services, contributing to the fight against climate change. Moreover, trade liberalisation of climate-friendly goods and services would provide incentives to producers to expand production and exports of these goods and services, and thus increase their availability. With appropriate complementary measures, it could also help increase local capabilities for domestic innovation and adaptation of technology, thereby strengthening the mitigation and adaptation potential.

Intellectual property rights (IPRs) – Intellectual property rights promote innovation in climate change technologies by providing incentives for investment in research and development. They also contribute towards promoting transfer of climate-friendly technologies when companies export or invest in foreign countries, as they provide legal security to technology owners. However, for technology recipients, intellectual property rights risk increasing the costs of acquisition of climate-friendly technologies and may hamper the rate of their diffusion. It is, therefore, imperative to further deepen the dialogue on the role of IPRs in the development and transfer of climate friendly technologies, taking an evidence-based approach.

Crucial linkages for sustainable development

In conclusion, many of the linkages between trade and climate change provide possibilities for win-win solutions. Not adequately addressing the linkages could, however, raise important obstacles to reaching an efficient and effective global

response to climate change, as well as hamper the opportunities of trade to contribute to a sustainable development.

Currently, there is an increasing awareness and concern among stakeholders about the trade and climate change interlinkages. However, at an international governance level, a natural forum for debating and deepening the understanding of the issues is currently lacking. This is partly due to the lack of clarity as to which agency would be best suited or mandated to provide this space. Although trade issues have been touched upon in the UNFCCC negotiations, this has not been done in a systematic way. Other multilateral forums, such as the World Trade Organization, World Intellectual Property Organization, and World Maritime Organization, mostly differ to the UNFCCC and take guidance from there.

This policy paper was prepared by Samantha Derksen, Junior Programme Officer for ICTSD's Global Platform on Climate Change, and Ingrid Jegou Manager of ICTSD's Global Platform on Climate Change. For further information on trade and climate change linkages, visit [ICTSD's website](#).

IN BRIEF

Questions Raised over Implementation of EU Biofuel Sustainability Criteria

A number of environmental organisations have sued the European Commission in order to access information regarding the actual implementation of biofuels sustainability criteria. Policies mandating the use of biofuels have raised concerns due to their potential negative side effects worldwide.

In order to ensure they remain good for the planet and atmosphere, the European Union requires that the biofuels countries use to fulfil their mandates adhere to sustainability criteria, which range from carbon savings thresholds to safeguarding biodiverse lands. However, the application of these criteria depend on a system

under which private entities will monitor and certify sustainable biofuels (see Bridges BioRes, [11 June 2010](#)). The Commission is currently reviewing applications from such entities regarding voluntary certification schemes, but has not released relevant information on the process, thus sparking protest among environmental groups.

The groups are adamant that in order for the system to be robust, transparency is needed throughout, and environmental law organisation ClientEarth, Friends of the Earth Europe (FoEE), FERN, and Corporate Europe Observatory (CEO) took the issue to the General Court of the EU on 25 May, arguing that the Commission is failing to release information.

“The European Commission has continually evaded its legal responsibility to disclose even the most basic information about voluntary certification schemes for Europe’s biofuels,” said Robbie Blake, Friends of the Earth Europe’s campaigner on biofuels. “The stakes are high – ineffective certification schemes will give the green light to environmental abuse. We need transparency and participation in EU policy making – not secrecy and suspicion.”

An EU committee is meeting on 27 May to discuss a first set of seven voluntary certification schemes.

Meanwhile, in a global effort to ensure the sustainability of bioenergy – including biofuels – the Global Bioenergy Partnership (GBEP), which is hosted by the UN Food and Agriculture Organization (FAO) in Rome, recently agreed on a set of 24 sustainability indicators. These indicators, which cover environmental social and economic pillars, serve to help guide policy development at the national level, while the role of the voluntary certification schemes will be to ensure that individual consignments of biofuels fulfil sustainability criteria.

This is the second time in as many years that Brussels is facing legal action over biofuels. In March 2010, four green groups, including ClientEarth filed a lawsuit with the EU’s General Court against the EU executive, on the grounds

that transparency laws were broken when several documents alluding to the environmental dangers of biofuels were not released publicly (see Bridges Trade BioRes, [19 March 2010](#)).

More information

The 24 GBEF sustainability criteria are available [here](#).

ICTSD Reporting; “European Commission sued for lack of transparency on biofuels policy,” FOE RELEASE, 26 May 2011; “Green groups take EU to court over biofuels – again,” GUARDIAN, 26 May 2011.

Ukraine, Moldova Environment Spat Hits WTO

After unsuccessful attempts to settle a dispute regarding discriminatory “environmental charges” in bilateral negotiations, Ukraine has asked the WTO’s Dispute Settlement Body (DSB) to establish a panel to examine it. Following standard practice, Moldova blocked the creation of the panel at a 24 May meeting of the DSB. However, when Ukraine’s next request is tabled, a panel will be established automatically.

In its request (WT/DS421/4), Ukraine indicated that Moldova is charging a discriminatory fee on imported goods that pollute the environment. The charge ranges from 0.5 to 5 percent of the declared value of the good. According to Ukraine, the list of imported goods subject to this charge is rather extensive and the fee is not charged on like domestic products.

In addition, Moldova requires importers to pay an environment fee for recycling plastic bottles and tetra pack packaging – with the exception of dairy packaging – while domestic producers are exempt from such fees. Ukraine indicted that these measures violate the principle of national treatment under GATT.

Ukraine argues that these environmental charges have had a negative effect on the position of Ukrainian beer and juice producers in the

Moldovan marketplace. Official Ukrainian figures showed a significant decline in sales. From January to November 2010, Ukrainian beer exports to Moldova fell from US\$9.2 million to US\$6.2 million – a 32.6 percent decrease. Meanwhile juice exports fell from US\$3.8 million to \$2.5 million – a 34.8 percent decline.

“The fees have been in effect since 2008, but we had just joined the WTO in 2008, for that we were not persistent in our demands,” Galina Korenkova, general director of beer lobbying group Ukrpivo, told the newspaper Kommersant. “We are not against the charge itself, it goes to the right targets, but we insist that it should be paid by both foreign and domestic producers.”

Vladimir Granagin, head of the Export Department Vitmark-Ukraine proposed another solution, “abolition of environmental charges will increase sales as the price of our products will be equal with local ones, surpassing them in quality.”

In a press release, the Moldovan Ministry of the Economy stated that they have initiated the abolition of the environmental charges on imports. In addition, the newspaper Komsomolskaya pravda reports that the Moldovan government programme for the stabilisation and revitalisation of the country includes goals such as “non-discrimination in the payment of environmental taxes on packaging on plastic and tetra pack packaged imports.”

Trade partners of Moldova, particularly Ukraine, Russia, and the EU are insisting that the charges be abolished. The Moldovan press release acknowledged that the charges are creating an obstacle for dialogue with the European Commission on a free trade deal as well as provoking retaliation from many major trading partners of the CIS region against Moldovan fruits, vegetables, and alcoholic beverages.

“If Moldova maintains an environmental tax at the same levels, external partners such as Ukraine, Russia, and the EU could take retaliatory measures that directly affect the country’s economy,” said Octavian Kalmykia, Moldova’s Deputy Minister of Economy.

This article was adapted from a story in ICTSD's Russian-language trade and sustainable development news stream [Блог публикации «Мосты»](#).

ICTSD Reporting; "Ukraine solves an environmental problem," KOMMERSANT-UKRAINE, 25 January 2011; "Moldova cancels environmental tax on imports of goods with plastic packaging," KOMSOLSOLSKAYA PRAVDA, 20 March 2011.

President-Designate for Durban Climate Talks Named

The UN Framework Convention on Climate Change (UNFCCC) secretariat last week officially announced that Maite Nkoana-Mashabane, Minister of International Relations and Cooperation of the Republic of South Africa, will be put forth as President-Designate of the Seventeenth Conference of the Parties (COP 17) to be held in Durban, South Africa later this year.

Observers have taken note that the appointment of a Foreign Affairs Minister to this position for the second time in a row breaks with the traditional pattern of ministers of environment taking the helm of climate change summits. Much of the progress achieved at COP 16 last December in Cancun, Mexico was largely attributed to the tenacity of the summit's president Patricia Espinosa. As Foreign Secretary of Mexico, Espinosa had a strong background in foreign affairs issues. The final adoption of the COP decisions, or Cancun Agreements, mainly delivered results on sub-themes and thus kept the negotiation process "alive."

ICTSD Reporting; "UNFCCC Announces Proposed COP 17 President-Designate," IISD REPORTING SERVICES, 25 May 2011.

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 (30 May – 13 June)

30 May-3 June, Kathmandu, Nepal. BIOTRADE AND GREEN ECONOMY WEEK IN NEPAL. The UN Environment Programme (UNEP), in cooperation with GIZ and UNCTAD, will organise a biotrade and green economy week, as part of the Nepal Capacity Building for Biotrade project (CBBT). Organisers say the event will bring together participants from the private and public sectors as well as representatives from a variety of development cooperation agencies to discuss the potential for biotrade and green economy in Nepal and options to support the country in realising this potential. For more information, [click here](#).

1-3 June, Barcelona, Spain. CARBON EXPO 2011. The Carbon Expo is jointly organised by the International Emissions Trading Association (IETA), the World Bank and Fira de Barcelona. It is an annual gathering of representatives from countries, business, carbon traders, technology providers, verifiers and certifiers to discuss carbon markets and projects, network and find about the latest trends in the carbon trading field. Additional information can be found on the [Fira website](#).

2 June, New York, US. INFORMAL THEMATIC DEBATE OF THE GENERAL ASSEMBLY ON GREEN ECONOMY. The dialog is organised by the President of the UN General Assembly. The thematic debate will underscore linkages between green economy, economic development, poverty eradication and environmental protection. It is envisioned that these discussions, which will be captured in the President's Summary, will help strengthen mutual understanding and support international

collaboration regarding green economy. For more information, [click here](#).

6-7 June, Bonn, Germany. 34TH SESSION OF THE UNFCCC CONVENTION ON SUBSIDIARY BODIES. The 34th session of the UNFCCC Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA). ICTSD will be hosting two side events at the meeting and will provide updates on the negotiations via [Twitter](#) and at [ICTSD On the Go...](#) Further information available on the meeting can be found on the [UNFCCC website](#).

8 June, Bonn, Germany. RESPONSE MEASURES: UNDERSTANDING THEIR BREADTH, IMPACTS, AND POSSIBLE APPROACHES FOR THE FORUM. This UNFCCC side event, organised by ICTSD's Global Platform on Climate Change, Trade and Sustainable Energy, will address an array of climate change response measures such as carbon standards and border carbon adjustments, and will discuss potential implications for SIDS, BASIC countries, LDCs, and others. The event will also address the UNFCCC Response Measures Work Programme and possible future Forum. More details can be found on [ICTSD's website](#).

10 June, Bonn, Germany. TRADE IMPLICATIONS AND OPPORTUNITIES IN THE CLIMATE CHANGE NEGOTIATIONS. ICTSD's Global Platform on Climate Change, Trade and Sustainable Energy will host an informal roundtable in parallel to the UNFCCC negotiations. The event is designed to provide up-to-date information and analysis on numerous trade-related issues as they specifically relate to topics within the LCA and SB negotiations. For further information, visit [ICTSD's website](#).

Upcoming Events

20-24 June, Vienna, Austria. IAEA MINISTERIAL CONFERENCE ON NUCLEAR SAFETY. The ministerial meeting of the International Atomic Energy Agency will present an initial assessment of the Fukushima accident and a preliminary review of international

response to the crisis. More information is available via the OECD [website](#).

30 June – 1 July, Geneva, Switzerland. UNCTAD MEETING OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE. The Joint Advisory Group will examine the activities of the ITC and make recommendations to the UNCTAD Trade and Development Board and the World Trade Organisation (WTO) General Council. Discussions will focus on the Annual Report on the Activities of ITC in 2010. One session will be set aside for a presentation of one aspect of ITC's work. More information available on [ITC's website](#).

29 November - 1 December, Busan, Korea. FOURTH HIGH LEVEL FORUM ON AID EFFECTIVENESS: THE PROMISE OF BUSAN. The OECD DAC Working Party on Aid Effectiveness (WP-EFF) will meet to review global progress in improving the impact and value for money of development aid, and make new commitments to further ensure that aid helps reduce poverty and supports progress in meeting the Millennium Development Goals. Information on the forum is available on the official [website](#).

15-16 December (tentative), New York, US. SECOND INTERSESSIONAL MEETING FOR UNCSD. The meeting will be the second of three intersessional meetings to be convened in preparation for the UNCSD event, Rio+20. The aim of the second meeting is to hold focused and substantive discussions to advance the subject matter of the conference. Details are available on [UNCSD's official website](#).

6-15 September 2012, Jeju, Korea. IUCN WORLD CONSERVATION CONGRESS. The IUCN World Conservation Congress bills itself as the world's largest and most important conservation event. Held every four years, the congress aims to improve how we manage our natural environment for human, social and economic development. Further information about the event is available on the [website](#).

Resources

If you have a relevant resource (books, papers, bulletins, etc.) you would like to see announced in this section, please contact the [BioRes Team](#).

PARTICIPATORY RESEARCH AND ON-FARM MANAGEMENT OF AGRICULTURAL BIODIVERSITY IN EUROPE. Published by IIED (May 2011). This paper draws on experience in Europe to offer critical reflections on how, and under what conditions, the EU might support the development of innovative participatory approaches for the management of agricultural biodiversity in Europe. The authors argue that an EU-wide transformation is more necessary now given that resilience, mitigation and adaptation to climate change directly depend on supporting innovative participatory approaches for managing agricultural biodiversity at the farm and landscape levels. The paper can be access on the [IIED website](#).

THE ECONOMICS OF DESERTIFICATION, LAND, DEGRADATION, AND DROUGHT. Published by IFPRI (May 2011). The authors of the study describe the significant increase in attention to land degradation and environmental pollution over the past 25 years that is largely due to greater levels of international cooperating and recognition that local changes in land resources have global impacts. The study then proposes the total economic value approach, which takes into account both on-site and off-site direct and indirect costs and benefits of ecosystem services. The study is available on [IFPRI's website](#).

DECOUPLING: NATURAL RESOURCE USE AND ENVIRONMENTAL IMPACTS FROM ECONOMIC GROWTH. A UNEP report (2011). With the growth of both population and prosperity, especially in developing countries, the prospect of much higher resource consumption levels is far beyond what is likely sustainable if realised at all given finite world resources, warns this report by UNEPs International Resource Panel. Already the world is running out of cheap and high quality sources of some essential materials such as oil, copper and gold, the supplies of which, in turn, require ever-rising volumes of

fossil fuels and freshwater to produce. Improving the rate of resource productivity faster than the economic growth rate is the notion behind decoupling, the panel says. More information and the official report can be accessed [here](#).