



# Bridges Trade BioRes

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

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## CLIMATE CHANGE

### US Bill Complicates EU Aviation Emissions Initiative

In the latest salvo in the tit-for-tat aviation emissions row between the EU and several other countries, the US House of Representatives last week passed a bill making it illegal for US airlines to comply with the controversial EU scheme. The move comes in the wake of the release of the European Court of Justice (ECJ) Advocate General's opinion, which found the EU's plan to extend its emission trading scheme (ETS) to aviation to be fully compatible with international law (see Bridges Trade BioRes, [17 October 2011](#)).

Tensions have been escalating in recent months between the EU and a group of countries opposed to the initiative. The group last month adopted a declaration in New Delhi demanding that the EU cancel the inclusion of aviation in the ETS (see Bridges Trade BioRes, [3 October 2011](#)). India, who has taken a lead in the opposition, has said that if the EU does introduce the measure as planned in January 2012 it will retaliate. China, which also opposes the scheme, has already blocked the order of Airbus A380s from Hong Kong Airlines.

The International Civil Aviation Organisation's (ICAO) governing council is expected to adopt New Delhi declaration as well as a set of resolutions calling on the EU to allow non-EU carriers to be exempt from the ETS when the Montreal-based organisation meets this Wednesday. Reuters reports that the ICAO has claimed that the ETS issue poses "major challenges and risks for aircraft operators."

While many observers say they doubt whether this Wednesday's challenge will have any effect on Brussels' plans, some claim there is a possibility

that the challenge will be a key step towards a formal dispute procedure, mediated by the president of the ICAO.

The recent developments out of Washington further complicate the dispute as if the bill is also approved by US Senate, thus becoming law, US-based airlines will be put in a difficult legal position. Should they continue to fly to Europe, they would be in breach of US law if they comply with the ETS and in breach of European law should they not. Some experts say the row could lead to a trans-Atlantic trade war.

### Alternative fuels?

Despite the strong opposition to the ETS measure from the International Air Transport Association (IATA) and many states, a number of airlines are now taking innovative steps to increase their carbon efficiency and bolster the use of alternative fuels, in part in response to the EU measure. The initiatives, many of which were announced in recent weeks, include fuel replacements, biofuels, and carbon reduction measures. This comes at a time of increased volatility in the price of oil and significant wider political pressure on the aviation industry to take green concerns more seriously.

Despite widespread criticism over the unintended environmental impacts of the use biofuels, Hong Kong-based Cathay Pacific – one of Asia's largest airlines – has announced its intention to “pin its hopes” on the alternative fuel. With almost 20 percent of the company's flights expected to fall under the new ETS rules if implemented on schedule, Cathay is moving quickly to reduce its carbon footprint. As part of its initiative, Cathay Pacific is planning to develop a dedicated supply chain in Asia to ensure a consistent supply of biofuels for itself and its subsidiary Dragonair.

The current generation of biofuels, while ready for commercial use, carry a price premium. In the current economic climate most airlines are unwilling to either absorb this cost or pass it onto consumers.

Other airlines are looking into the possible alternatives to both traditional aviation fuel and biofuels. Richard Branson of Virgin Atlantic

claims that he will introduce a “green aviation fuel” within three years. The process he is planning to take advantage of is the conversion of waste gasses from industrial steel production into a fuel-like substance with a price tag similar to that of conventional jet fuel. The technology could reportedly supply 20 percent of global annual consumption of aviation fuel at current levels.

The new technology is currently being trialled in New Zealand. Once the technology has been sufficiently developed, the focus will turn to China, the world's largest producer of crude steel. In 2009 China accounted for over 46 percent of the world's total steel output. Commercial production of the new fuel is planned to get underway by 2014.

ICTSD Reporting; “Airlines ready for next battle against carbon law,” REUTERS, 31 October 2011; “Cathay pins hopes on biofuels,” SOUTH CHINA MORNING POST, 24 October 2011; “IATA Disappointed with CJEU Opinion – Urges Global Solution through ICAO,” INTERNATIONAL AIR TRANSPORT ASSOCIATION, 6 October 2011; “Virgin Atlantic unveils plan to use ‘green’ fuel,” THE GUARDIAN, 11 October 2011; “European ETS, Biofuels put aviation at a crossroads on environmental issues,” CATHAY PACIFIC, 27 September 2011; “India, Russia threaten to retaliate against EU ETS,” AVIATIONWEEK, 3 October 2011; “Steel Statistical Yearbook,” WORLDSTEEL ASSOCIATION, 2010.

## SUSTAINABLE ENERGY

### US to Push for Progress on Environmental Goods, Services outside WTO

The US will take advantage of several high-level meetings in Asia next month to address barriers to trade in environmental goods and services (EGS). Tensions between the US and China have been high in recent months as US lawmakers and manufacturers have increasingly sought action against China's green subsidies.

US Trade Representative Ron Kirk last week told a business group that he would push for a voluntary tariff binding of 5 percent on a “basket of issues” relating to green technologies, facilitating trade between a number of nations competing for a stake in the new energy sector.

The US will raise the issue with China and other Asia-Pacific Economic Cooperation (APEC) partners at a meeting of the regional body in Honolulu in November. The US will also have the opportunity to discuss the arrangement one-on-one with China shortly after the APEC summit, at the US-China Joint Commission on Commerce and Trade, and with eight additional APEC members at on-going Trans-Pacific Partnership talks.

While Kirk says he has the support of Australia, New Zealand and others, a trade diplomat told Reuters that China prefers to leave the matter to the WTO. Keeping the negotiations in Geneva would allow China to cut a tariff deal in exchange for trade concessions from other WTO members, but would also prevent the deal from moving forward on a voluntary basis. If the tariff bindings are to become WTO-enforceable, observers say EGS negotiations could become far more complex.

### Cooperation ahead?

The USTR announcement comes after a string of events that have placed the US in a more confrontational stance toward China, with increasing criticism of China’s green subsidies by US lawmakers (see Bridges Trade BioRes, [17 October 2011](#)).

On 6 October, the USTR submitted to the WTO a list of nearly 200 Chinese subsidies that it claimed China had failed to announce in violation of WTO rules. And on 11 October, the US Senate passed a bill that would punish China for allegedly undervaluing its currency.

Most recently, on 19 October, seven US solar companies banded together in Washington to file a formal trade complaint against China, claiming it dumped solar panels in the US and provided solar subsidies in violation of WTO rules.

The US Commerce Department is expected to decide on whether or not to launch an investigation into China’s solar practices in response to the US manufacturers’ complaint on 9 November, just days before the US will meet its APEC partners in Honolulu.

The US companies allege that China used billions of dollars to subsidise its manufacturers of “crystalline silicon photovoltaic cells” – a common type of solar panel – in order to undercut US manufacturers and gain US market share. According to Reuters, they list subsidies not only in the form of direct cash payments, but also tax breaks, preferential loans, discounted raw materials, land, and utilities, export assistance grants, and preferential export insurance.

The companies also allege that China dumped its panels at prices lower than what it cost to put them on the American market, contributing to the bankruptcy of three US solar firms since August. They seek restitution in the form of 100 percent tariffs on future imports of Chinese solar panels.

At least two US Democratic Senators from Oregon, Ron Wyden and Jeff Merkley, strongly support the case. At a press conference announcing the complaint, they made statements accusing China of “cheating” and “rogue practices” in solar trade.

Oregon-based SolarWorld Industries America, the US arm of a German solar giant in Bonn, filed the complaint at the US Department of Commerce and US International Trade Commission on Wednesday. Six other US companies joined, but reportedly chose to remain anonymous to avoid a potential backlash in China.

The US government must legally review the case and determine whether or not to take formal action against China at the WTO.

ICTSD Reporting; “U.S. eyes ‘green growth’ trade deal at APEC,” REUTERS, 26 October 2011; “India confronts US, EU at WTO over national solar power generation programme,” ECONOMIC TIMES, 26 October 2011; “Chinese solar firms face growth risk after US petition,” REUTERS, 20 October 2011; “US Solar

Panel Makers Say China Violated 'Trade Rules,'" NEW YORK TIMES, 19 October 2011.

## NATURAL RESOURCES

### Largest Rare Earths Producer Implements One Month Production Freeze

While the WTO has been quiet as of late on the contentious rare earths front, trade in the precious materials has been shaken quite a bit over the past months. The global rare earths market has recently experienced massive upheaval, with prices falling sharply in June 2011. In response, China's largest rare-earth producer, Inner Mongolia Batou, announced last week that it would be halting production for four weeks' time.

Rare earths are needed in essentially every area of high-tech production, be it for pharmaceuticals, military equipment, green energy technology, or information technologies.

The 25 percent price drop since June is the result of a series of factors. These include the devastating tsunami in Japan in March of this year, which slowed down production in the major export nation and consequently reduced global demand substantially. The lingering global economic crisis has further weakened the market, while manufacturers world-wide are increasing their efforts to reduce their dependency on China by strengthening rare earth production capacities outside the East-Asian country.

China controls more than 95 percent of the global rare earths market, which makes its mining sector quite sensitive to sudden price drops. On the other hand, holding this quasi-monopoly position allows Beijing to influence world market prices to a considerable extent.

Since 2008, rare earth prices rose from US\$10 per kilogramme (for a basket of rare earths) to over US\$200 in early 2011. Prices increased only after China started imposing export quotas for the precious materials.

The recent production halt could similarly, though less severely, impact global supply. China Batou is responsible for about half of all global rare-earth production; shutting it down for a month is expected to remove 5,000 metric tons of rare earth from the market, an RBS analyst told the [Wall Street Journal](#) in October.

### Foreign manufacturers pursuing other options

Meanwhile, fearing a shortage in rare earth supply coupled with the increased competition of Chinese companies, Western manufacturing giants have started establishing joint ventures with non-Chinese mining companies to build their own production sites and thus guarantee future access. Lynas, an Australian rare earth mining company, began collaborating this summer with Germany's Siemens and expects to start its first shipments of rare earths next year (see Bridges Trade BioRes, [25 July 2011](#)).

While not necessarily pleased with the price drop, Beijing nonetheless has welcomed these efforts. The government has long argued that its quota and other export restrictions are informed by environmental conservation efforts, rather than by protectionist aims as claimed by Beijing's trading partners.

In August, Beijing closed down several illegal rare earth mines and confiscated unapproved stock piles, measures that the government claims to be part of a larger conservation programme aimed at reducing production. This is not the first instance of Beijing taking such a step; China has been attempting to reduce illegal mining since 2009.

In addition, China argues that many of its resources face depletion in the coming decades. Competitor Lynas expects China to become a net importer of rare earths as early as 2015, as company CEO Nick Curtis told the Financial Times this month in an [interview](#).

### Export restrictions in a WTO context

With China's economy booming, making more and more use of the rare earths itself, the nation thus clearly has an interest to keep its resources. However, export restrictions and duties of almost

any kind are prohibited under China's WTO accession protocol, as recently confirmed by a WTO panel in a dispute over other raw material exports from China (see Bridges Trade BioRes, [11 July 2011](#)).

The export restriction system that was the subject of that dispute is very similar to the one used with regards to rare earths.

Much less high-profile but equally telling in this regard is a recent resource trade agreement between rare earth net-importer Germany and Mongolia. The agreement, meant to secure Germany's energy supply, amongst others, promises the European country limitless raw material exports.

The agreement prevents Mongolia from implementing future export restrictions for raw materials and calls upon the country to eliminate any existing programmes in cases where they impact trade with Germany.

The deal is only one of many that aim to secure free trade in natural resources, including rare earth. While some recently acceded WTO members have vowed to eliminate any export restrictions – including China – general WTO disciplines allow export duties and only outlaw quantitative restrictions.

ICTSD reporting; "Lynas plays down fears of China rare earths plot," FINANCIAL TIMES, 19 October 2011; "Germany Playing Catch-Up in Scramble for Resources," SPIEGEL ONLINE, 14 October 2011; "China Baotou to Halt Rare Earth Operations for One Month," WALL STREET JOURNAL, 19 October 2011.

## SUSTAINABLE DEVELOPMENT

### Green Economy Generates Trade Concerns in Run-Up to Rio+20

Participants in recent regional meetings paving the way for the Rio+20 Conference next June are struggling to find agreement on the concept of a

"green economy." While some see a redefinition of the economy in green terms as a path toward sustainable development, others fear the concept is synonymous with green trade protectionism and conditionalities – to the point where participants at one regional meeting chose not to mention the green economy in their meeting conclusions.

In the past six weeks, there have been four of the Regional Preparatory meetings for the United Nations Conference on Sustainable Development (UNCSD), or Rio+20, which is taking place from 4-6 June 2012 in Rio de Janeiro. The Rio+20 Conference marks the twentieth anniversary of the 1992 United Nations Conference on Environment and Development.

The conference's objective is to secure renewed commitment for sustainable development and meet new and emerging challenges by focusing on two themes: the green economy in the context of sustainable development and poverty eradication; and the institutional framework for sustainable development.

The preparatory meeting for the Latin America and Caribbean Region took place from 7-9 September in Santiago, Chile; for the Arab Region from 16-17 October in Cairo, Egypt; for the Asia and the Pacific Region from 19-20 October in Seoul, Korea; and for the African Region from 20-25 October in Addis Ababa, Ethiopia.

During the four regional preparatory meetings, the challenges with regard to the green economy as a Rio+20 theme cut across regions. The definition of the green economy came under challenge from a number of national delegations, with many wanting clearer answers before committing themselves. This was largely blamed on a lack of an internationally-agreed definition of the term "green economy."

Most clear, however, was the across-the-board insistence that the transition to a green economy must rule out any possible restrictions to trade.

#### Latin America, Caribbean Sceptical

At the Latin America and Caribbean meeting last month, many delegations were sceptical of the



utility of the green economy as a means of promoting sustainable development. Reiterating many familiar positions and concerns, some delegates questioned whether the green economy could potentially be used to justify the imposition of trade conditionalities on the basis of environmental standards as well as protectionist measures to insulate countries' own green industries.

Some delegates specifically questioned how complementary previously-stated development goals under the WTO's Doha Round of trade talks – especially with regards to special and differential treatment for developing economies – are with the implementation of the green economy.

Sources at the meeting told BioRes that even Brazil, the host of Rio+20, distanced itself from the green economy by shifting the discussion away from an attempt to clearly define the term, choosing instead to focus on sustainable development in the hope for more agreement.

These positions were translated into the official conclusion of the meeting, where no mention was made of the green economy.

### **Defining a green economy**

The discussion of green economy also featured towards the end of the Arab Region preparatory meeting. As a concept, delegates converged around it being a possible “tool” of sustainable development, rather than replacing sustainable development.

Given the recent social upheavals occurring in the region, the discussion focused on some of the causes of this unrest. Pinpointing unemployment and poverty, participants suggested that the social side of sustainable development be brought to the fore at the Rio+20 Conference.

The Arab preparatory meeting ended with a set of recommendations on the green economy. These called for a clear definition, one that should not substitute sustainable development. The meeting also came up with a series of prescriptions of what the green economy should not be. These included,

in particular, not allowing the green economy to become a means to limit the right of developing countries to utilise their natural resources, nor as a tool to exempt developed countries from their commitments in relation to their developing country partners.

The participants at the Asia and the Pacific meeting were reportedly more supportive of the green economy. However, given the strong export interests of the region, there were many who also voiced concerns regarding potential restrictions and conditionalities.

In the “Seoul Outcome” of the meeting, the green economy was firmly established as one of the means to achieve sustainable development within the limitations of national circumstances and stages of development.

### **Green economy in Africa**

While delegates discussed similar issues as their counterparts in other regions during the official sessions of the preparatory meeting, they also looked more in-depth at the linkages between trade and the green economy during a side event in Addis Ababa dedicated to this topic.

Event participants examined challenges and opportunities related to the green economy in the African context, hearing both from economists and exporters that have developed green products. The participants highlighted significant opportunities for African countries in a green economy, such as exports of organic agricultural products, forestry, and other certified products. However, they also said measures such as environmental standards need to be examined further and harmonised.

Additionally, some stressed that green subsidies used as a driver of the green economy should be time-bound and implemented according to WTO rules. One of the biggest development challenges for Africa itself is the move away from exporting raw materials and moving up the value chain in a sustainable manner, participants stressed.

The side event was co-hosted by ICTSD, the UN Environment Programme, and the UN Economic

Commission for Africa. ICTSD is the publisher of Bridges Trade BioRes.

A number of meetings remain in the coming months, with participants hoping to clear the discord surrounding the Rio+20 meeting and the themes that it will address in June 2012.

The final regional preparatory meeting will take place on 1-2 December in Switzerland for the European region.

The penultimate Intersessional Meeting of the UNFCCC will then take place on 15-16 December in New York before the final Preparatory Committee Meeting in May 2012.

ICTSD reporting; “Summary of the UNFCCC (Rio+20) Regional Preparatory Meeting for Asia and the Pacific: 19-20 October 2011,” EARTH NEGOTIATIONS BULLETIN, 21 October 2011; “Summary of the UNFCCC (Rio+20) Arab Regional Preparatory Meeting: 16-17 October 2011,” EARTH NEGOTIATIONS BULLETIN, 19 October 2011; “Summary of the UNFCCC (Rio+20) Regional Preparatory Meeting for Latin America and the Caribbean: 7-9 September 2011,” EARTH NEGOTIATIONS BULLETIN, 12 September 2011.

## IN BRIEF

### Business Community Pushes for Robust Climate Package in Durban

A group of major corporations is calling upon governments to approve a “robust, equitable and effective agreement” when they meet later this year in Durban, South Africa to negotiate a global climate change pact. The statement, which was issued on behalf of nearly 200 companies from the energy, finance, retail, and manufacturing sectors, calls for the establishment of an effective price on carbon to drive emissions reductions and an end to fossil fuel subsidies.

The statement warns that the business sector is left in a vulnerable position when governments

fail to provide clarity on their approach to climate change policy. The companies are strongly urging developed and developing countries to push past their differences over the future of the Kyoto Protocol, the first commitment period of which expires next year (see Bridges Trade BioRes, [17 October 2011](#)).

The “[2°C Challenge Communiqué](#)” – a reference to the goal of capping rising global temperatures at 2°C above pre-industrial levels – is an initiative of the recently formed Corporate Leaders' Network for Climate Action (CLN). The communiqué is the fifth in a series of statements originally developed by The Prince of Wales's Corporate Leaders Group on Climate Change (CLG). Both the CLN and CLG are hosted under the University of Cambridge Programme for Sustainability Leadership.

The Corporate Leaders Group reached out to businesses in over 30 countries for support when crafting the communiqué – taking a broader approach than in previous years. “The expansion of the network to include business groups from other countries shows that, far from losing interest in climate change as an issue, there is an emerging and increasingly international consensus amongst enlightened corporate leaders of the need for urgent action,” said Eliot Whittington, director of The Prince of Wales group.

The statement is backed by some of the most recognised brands in the world, including Shell, Unilever, Tesco, Johnson & Johnson, Ricoh, Cemex, Procter & Gamble, Nedbank, the Lloyds Banking Group, and Brazilian mining giant Vale.

“The companies endorsing the 2°C Challenge Communiqué set a great example,” said UN Framework Convention on Climate Change (UNFCCC) chief Christiana Figueres. “Corporate leadership that provides powerful vocal support for action gives governments the greater confidence they need to move forward a global climate change agreement that will ultimately cover the current ambition gap.”

Bridging gaps has become a recurring theme during the past year's climate talks, with developed and developing countries deeply divided over

Kyoto and climate funding. Developing countries have accused developed countries of failing to live up to funding commitments made at last year's Conference of the Parties (COP) in Cancun, Mexico.

Earlier this month, the Green Climate Fund – which aims to provide developing countries with up to US\$100 billion annually by 2020 for tackling climate change – suffered a setback when the UN committee assigned to design the fund was unable to reach consensus. However, despite reportedly facing pushback from the US and Saudi Arabia on the wording of the design text, the committee has submitted a draft for consideration at the upcoming COP.

This year's UNFCCC COP in Durban is scheduled for 28 November to 9 December.

ICTSD Reporting; “Companies call for tougher climate action,” BBC, 20 October 2011; “Global Business Leaders Urge ‘Effective’ Climate Deal in Durban,” ENVIRONMENT NEWS SERVICE, 20 October 2011; “Setback for Green Climate Fund,” MALAYSIA STAR, 23 October 2011; “U.N. completes draft of green climate fund: official,” REUTERS, 21 October 2011.

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## Green Ag Reform Debate Heats Up at European Council

The European Commission's latest proposed reforms of its Common Agriculture Policy (CAP) sparked a strong response from EU member states at a meeting last week in Luxembourg, with many questioning the actual benefits of the measures outlined in the plan.

The proposed reforms for post-2013 agricultural policy, which are billed as being environmentally sensitive, were outlined by European Agriculture Commissioner Dacian Cioloș, who spoke to agriculture ministers at a 20 October meeting of the Council of the European Union in Luxembourg.

Ministers' reactions echoed the mixed reception of the proposals when they were first unveiled to the

European Parliament earlier this month (see Bridges Trade BioRes, [17 October 2011](#)).

The 27-member bloc's farm subsidy scheme has drawn fire over the years from taxpayers, consumer groups, aid agencies, and environmentalists, who find that the CAP is detrimental both to the environment and to the welfare of developing country farmers, along with wasting scarce resources.

Such concerns prompted reforms that reduced the use of ‘coupled’ subsidies linked to production in favour of the presumably less trade-distorting ‘decoupled’ income support, in the form of direct payments to farmers.

While Germany and France supported the ‘greening’ objective, they both questioned the measures that the Commission proposed for meeting such a goal. The proposal would require that 30 percent of direct subsidies be made dependent upon farmers meeting criteria such as crop diversification and land being set aside for ecological purposes.

“Yes to the ‘greening’ principle, but no to the terms as they are currently presented,” French agricultural minister Bruno Le Maire urged fellow ministers at last week's meeting. Meanwhile, German farm minister Ilse Aigner expressed doubt that the environmental contributions would operate “in harmony with the objectives of food security and energy resources.” Ministers fear that new environmental conditions will reduce European agriculture's productivity and increase its dependency toward imports.

The UK, Spain, and Sweden, among others, expressed their disappointment that the proposal was not going far enough. “This package is a missed opportunity,” Britain's farm chief, Caroline Spelman, stressed. While the Commission, in her view, correctly identified the upcoming challenges - food security and climate change - it failed to offer an appropriate response.

Many ministers also fear that the reform would increase the administrative burden on farmers, claiming that the proposal fails to simplify complex rules and regulations. Several countries



also underlined the risk to the competitiveness of European agriculture from implementing environmental practices that might be more costly and bureaucratic.

Due to changes brought into force by the Treaty of Lisbon, the parliament has to approve the agricultural reform, along with the council, which is composed of the governments of the 27 EU member states.

The Parliament and the Council can suggest amendments to the Commission proposal and have to agree on a similar version of the text. After a first vote at the Council, the amended text will reach the Parliament for discussion and vote. By April, a new draft of the document is expected.

Debates on the proposal and amendments will follow before the text is adopted. The legislative procedure allows three attempts for reaching agreement on the proposals.

ICTSD Reporting; “Big EU states attack plans for green farm reforms,” REUTERS, 20 October 2011, “The legislative timeline for CAP reform”, capreform.eu, 21 October 2011.

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## High Ambitions for China's Desalinated Water Industry

In a recent move aimed at addressing severe water demand issues – particularly in its parched northern region, China has set the ambitious goal of quadrupling production of desalinated water by 2020. Beijing appears poised to become a technological leader in the field as its market matures, following a familiar strategy toward green innovation that the country has been greatly successful with in the solar and wind sectors, according to the [New York Times](#).

China's per capita water resources are a fraction of the global average. As the population [continues to grow](#) at least until 2025 and as agriculture and industry continue to expand, experts say China's water supply is destined to grow tighter and tighter.

But while investing in the desalination industry may help address water shortages, the technology is both energy-intensive and expensive. Currently, the cost of producing desalinated water is more than double the price it can be sold for, according to the New York Times. Nevertheless, several media reports suggest China is expanding its desalination plants countrywide.

In the short-term, this investment is targeted at capacity-building, increasing Chinese expertise in desalination and streamlining business credentials. In the long-run, China hopes to produce a viable, home-grown industry in a market that is sure to rapidly expand.

By 2020, China intends to have four times the capacity to produce desalinated water for home use and intends to export its product. In addition, the New York Times reports that China's second goal is to ensure that 90 percent of its desalination equipment is domestically produced by 2020.

Observers are drawing parallels between the desalination push and that seen in the solar and wind sectors, where a combination of domestic incentives, foreign investment, and state aid helped the country become a global leader.

China utilised its low-cost manufacturing advantage to create the world's largest production capacity in solar panels, where its share now stands at around 60 percent. China also surpassed the US in 2010 to become the largest producer of wind power in the world. However, both of these industries have been accused by foreign competitors of being unfairly buoyed by state support (see related story, this issue and Bridges Trade BioRes, [13 June 2011](#)).

ICTSD Reporting; “China Takes a Loss to Get Ahead in the Business of Fresh Water,” NEW YORK TIMES, 25 October 2011; “China mulls policies to boost seawater desalination,” XINHUA, 24 June 2011; “Beijing takes lead in solar,” STAR TRIBUNE, 20 October 2011; “U.S. falls behind China in wind power,” REUTERS, 11 April 2011.

## EVENTS AND RESOURCES

### Events

If you would like to see your event listed here or are interested in finding out more about publicising your event through ICTSD, write to [biores@ictsd.ch](mailto:biores@ictsd.ch). 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 (31 October – 14 November)

31 October - 4 November, Montreal, Canada. SEVENTH MEETING OF THE CBD WORKING GROUP ON ARTICLE 8(j). This is the seventh meeting of the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions organised by the Secretariat of the Convention on Biological Diversity (CBD). The agenda includes items on: mechanisms to promote the effective participation of ILCs in the work of the Convention; an in-depth dialogue on ecosystem management, ecosystem services and protected areas; and several tasks of the multi-year programme of work on the implementation of Article 8(j), including a strategy to integrate Article 10 with a focus on customary sustainable use as a cross-cutting issue into the programmes of work and thematic areas of the Convention. More information is available on the event [website](#).

3-4 November, Venice, Italy. RECENT TRENDS IN NON-MARKET VALUATION. This event, organised by the International Centre for Climate Governance (ICCG), will review the most recent and emerging methodological and technical issues in non-market valuation, solutions to such issues, and applications of existing methods to novel areas and topics. Issues scheduled to be discussed include hedonics, consumer behaviour methods, contingent valuation and conjoint choice experiments, and travel cost methods. More information is available on the event [website](#).

4-6 November, Amritsar, India. 3RD ANNUAL SEMINAR ON WATER SECURITY AND CLIMATE CHANGE. This seminar, hosted by the Guru Arjan Institute of Development Studies,

endeavours to share current and traditional knowledge related to water and best practices on water security and climate change while discussing possible options for integrated water resource management. Issues mentioned as the priorities in the 'National Water Mission' portion of the National Action Plan on Climate Change will be the focus for discussion, interaction and dissemination of information. More information is available on the event [website](#).

6-8 November, Beijing, China. INTERNATIONAL CONFERENCE ON CLIMATE CHANGE AND FOOD SECURITY. This event, co-hosted by the International Food Policy Research Institute (IFPRI), the Consultative Group on International Agricultural Research (CGIAR), and the Chinese Academy of Agricultural Sciences (CAAS), will provide a forum for leading international scientists and researchers to present the latest research findings, exchange research ideas, and share experiences on climate change and food security. Topics addressed by the conference will include estimating the impact of climate change on food security, managing climate variability and risk, accelerating adaptation to climate change, and improving measurement and monitoring. More information is available on the event [website](#).

8-10 November, Geneva, Switzerland. AD-HOC EXPERT MEETING ON THE GREEN ECONOMY: TRADE AND SUSTAINABLE DEVELOPMENT IMPLICATIONS. Hosted by the United Nations Conference on Trade and Development (UNCTAD), in collaboration with UN Department of Economic and Social Affairs (UN DESA) and the UN Environment Programme (UNEP), this event will focus on the conditions needed for making the transition to a green economy. Key topics for discussion will include political and economic feasibility of this transition, technology and finance, investment in global supply chains, and more. Event organisers hope that these discussions will serve to elaborate recommendations for contribution to the United Nations Conference on Sustainable Development (UNCSD, or Rio+20) in June of next year. More information is available on the event [website](#).

13-19 November, Medellín, Colombia. SEVENTH INTER-AMERICAN DIALOGUE ON WATER MANAGEMENT (D7). This event, hosted by the Government of Colombia, will have the main objective of reflecting the advances on integrated water resource management in the region, as well as thinking about the challenges and demands in the future. Discussions began on World Water Day 2011 and will arrive at D7 as a milestone in the process to consolidate recommendations. More information is available on the event [website](#).

14 November - 9 December, Rome, Italy. STRENGTHENING PARTNERSHIPS IN AGRICULTURAL BIOTECHNOLOGIES FOR THE BENEFIT OF SMALLHOLDERS IN DEVELOPING COUNTRIES. The UN Food and Agriculture Organisation (FAO) Biotechnology Forum is organising the 17<sup>th</sup> e-mail conference. This year's session will focus on the potential benefits and pitfalls of North-South, South-South, Public-Private, and other partnerships in agricultural biotechnologies, in order to benefit smallholders in developing countries. It draws on the practical experiences of contributors to bring best practices and relevant advice to developing countries and related national research organizations. The conference encompasses a broad range of biotechnologies used in the crop, forestry, livestock, fisheries, and agro-industry sectors. As in all Biotechnology Forum conferences, the event will be moderated and is open and free to all. To register, send an e-mail to [mailserv@mailserv.fao.org](mailto:mailserv@mailserv.fao.org) leaving the subject blank, and adding two separate lines of text: 'subscribe BIOTECH-L' and 'subscribe biotech-room1'. Current Forum members may leave out the first line of text. A background document is being finalised and will be sent to Forum members before the conference begins as well as placed on the Forum [website](#).

### Other Upcoming Events

16-18 November, Tokyo, Japan. TOKYO GREEN INDUSTRY CONFERENCE. TGIC aims to gather government and business leaders to discuss innovative policies and business strategies to promote the swift deployment of environmental, energy, and resource conservation

and recovery techniques. The Conference will also summarise key achievements on the Manila Declaration on Green Industry in Asia since the 2009 Manila Conference. The event will be held simultaneously with [INCHEM Tokyo 2011](#), an international exhibition of environmental technologies and services. TGIC is organised by the UN Industrial Development Organisation (UNIDO) and Japan's Ministry of Economy, Trade, and Industry (METI), in cooperation with the United Nations Environment Programme (UNEP), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the International Labour Organisation (ILO). More information is available on the event [website](#).

12-17 March, Marseilles, France. SIXTH WORLD WATER FORUM. This event bills itself as the largest water-focused gathering in the world, attracting over 25,000 participants in 2009. It meets at a different international location every three years and aims to mobilise water stakeholders worldwide. It promotes interactions and partnerships at all geographic scales and between all actors, with a special focus on developing countries. More information is available on the event [website](#).

24-25 January 2012, Johannesburg, South Africa. CLIMATE FINANCE AND CARBON MARKETS AFRICA. With the UNFCCC's COP 17 taking place in Durban in late 2011, the world's eyes will be focused on South Africa. Climate Finance and Carbon Markets Africa returns for its 5th year to address the key challenges of expanding climate projects in Africa as the first major African meeting after COP 17. It brings together project hosts, financiers, developers, and legislators in a discussion platform for genuine market insights, networking, and solutions on carbon trading in Africa. More information is available on the event [website](#).

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## Resources

If you have a relevant resource (books, papers, bulletins, etc.) you would like to see announced in

this section, please forward a copy for review to the [editor](#).

**PROGRAM FOR BIOSAFETY SYSTEMS (PBS) WEBSITE.** This new website for the Program for Biosafety Systems (PBS), created with the support of the International Food Policy Research Institute and USAID, aims to help address biosafety through an integrated program of research, capacity development, and outreach. The PBS supports partner countries in Africa and Asia in the responsible development and safe use of agricultural biotechnology. More information is available on the PBS [website](#).

**FACILITATING TRADE IN SERVICES COMPLEMENTARY TO CLIMATE-FRIENDLY TECHNOLOGIES.** Published by ICTSD (October 2011). This paper analyses the patterns, drivers, and barriers to trade in climate-friendly goods, arguing that many challenges remain before the economic and environmental benefits of liberalising trade can be realised. In addition to issues of market access and national treatment, the author points to a variety of domestic laws and regulations that impede the free flow of trade. The paper analyses several key mitigation areas identified by the Intergovernmental Panel on Climate Change (IPCC): energy supply, transport, buildings, industry, agriculture, forestry, and waste. More information is available on the ICTSD [website](#).

**ASIAN BIOTECHNOLOGY AND DEVELOPMENT REVIEW.** Published by the Research and Information System for Developing Countries (RIS). The Asian Biotechnology and Development Review (ADBR) raises awareness of emerging biotechnology issues in support of biodiversity and development, recognising the critical importance that science and technology play in today's sustainable development efforts. The review is published three times a year and has been operating since 1997. It is published by RIS, a New Delhi-based think tank focusing on economic and development issues. More information is available on the RIS [website](#).

**CONSIDERING THE ENERGY, WATER, AND FOOD NEXUS: TOWARDS AN INTEGRATED MODELLING APPROACH.**

Published by Energy Policy (October 2011) and available at ScienceDirect. This paper notes that reliable energy, water, and food are often faced with common issues such as price volatility, limited access to services, and unsustainable practices. The commonalities invite analysis of the three issues in a common policy nexus. The paper provides a theoretical model for understanding the nexus in order to better inform national policymaking, suggesting that new institutional capacity is necessary in both developed and developing nations to adequately address the energy-water-food nexus. More information is available on the ScienceDirect [website](#).

**INVESTMENT-GRADE CLIMATE CHANGE POLICY: FINANCING THE TRANSITION TO THE LOW-CARBON ECONOMY.** Published by the European-based Institutional Investors Group on Climate Change (IIGCC), Australian-based Investor Group on Climate Change (IGCC), US-based Investor Network on Climate Risk (INCR), and UNEP Finance Initiative (UNEP FI) (September 2011). This report contributes to policymakers' understandings of the factors that institutional investors consider when investing in low-carbon growth areas. In addition, it sets out what institutional investors see as "investment-grade" climate change and clean energy policy that would support significant low-carbon, clean energy investment. The report features brief case studies on Australia, China, EU, Germany, India, South Africa, and the US and provides recommendations for domestic and international policymakers. The report is available on the [online](#).

**ICTS AND CLIMATE CHANGE ADAPTATION: ENABLING INNOVATIVE STRATEGIES.** Published by the University of Manchester, with funding support from Canada's International Development Research Centre (IDRC) (October 2011). This strategy brief analyses the role of Information and Communication Technologies (ICTs) in national adaptation programmes of action (NAPAs) on climate change in developing countries. It argues that ICTs improving NAPAs' effectiveness by facilitating information-gathering, decision-making, and programme implementation. ICT applications also help address issues that climate

change may exacerbate, including poverty, water, agriculture, food security, health, terrestrial and marine ecosystems, and disaster management. In order to be most effective, the brief advises, ICT tools must employ a comprehensive system of mobile phones, internet applications, and mass media. The brief is available [online](#).

lauded pro-environment policies based on ‘smart’ economic reasoning. More information is available [online](#).

**TOGETHER ALONE: BASIC COUNTRIES AND THE CLIMATE CHANGE CONUNDRUM.** Published by the Stockholm Environment Institute (SEI) (October 2011) with support from the Nordic Council of Ministers. This paper discusses the role of the BASIC alliance in UNFCCC negotiations from Copenhagen to Durban. The BASIC group of countries – Brazil, South Africa, India and China – has cooperated in international climate negotiations since 2009. The paper examines the domestic and foreign-policy drivers that shape each of these countries’ climate policies, the factors that have brought them together, their changing relationships with other developing nations and with major global powers, and possible paths for the BASIC alliance going forward. The paper is available on the Nordic Council’s [website](#).

**CARBON COALITIONS: BUSINESS, CLIMATE POLITICS, AND THE RISE OF EMISSIONS TRADING.** Published by MIT Press (October 2011). This book is a comprehensive study of the rise of carbon trading at the international level, in the EU, and in the US. It examines how carbon trading became viable at each of these levels. In addition, the author develops a theoretical framework for understanding the influence of transnational business coalitions in the emergence of market-based global environmental governance. More information is available [online](#).

**BUT WILL THE PLANET NOTICE? : HOW SMART ECONOMICS CAN SAVE THE WORLD.** Published by Farrar Strauss & Giroux (September 2011). This book challenges traditional views on saving the environment from the perspective of an environmental economist. Recognised for its readability, the book suggests policy alternatives to the Endangered Species Act, fuel economy standards, and other commonly