



Bridges Trade BioRes

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

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FISHERIES

WTO Fisheries Chair Pauses for Reflection on Easter Text

With less than three weeks remaining before a target date for the chairs of WTO negotiating committees to submit revised draft agreement texts for the Doha Round trade talks, a session of the Negotiating Group on Rules witnessed strong statements on the need for disciplines on government support to the fisheries sector, as well as a new submission on developing countries' interests.

At a 1 April informal meeting of the group, the chair, Ambassador Dennis Francis of Trinidad and Tobago, outlined the “incremental” progress made in several informal plurilateral sessions on fisheries subsidies he had conducted during the preceding week. The sessions focussed on general disciplines, notification and surveillance, dispute settlement, transitional provisions, and special and differential treatment for developing countries. Additionally, the “friends of the chair” – individuals who have been appointed to work on the issues of reciprocal and shared access, fisheries management, and assignment of fishing rights – as well as “contact groups” working on fuel subsidies, income support, and artisanal and small-scale fishing also presented and discussed their final reports.

Francis said that the ability to move forward on fisheries subsidies disciplines depends greatly on progress in the overall Doha Round negotiations, which have been stalling as the Easter target for revised texts approaches (see related article, this issue). Noting that he may nevertheless be called upon to provide a text by Easter, the chair said he needed a period for reflection on possible avenues that could bridge differences. Francis said he would not be calling any more meetings in April

nor would he accept any bilateral meetings on anti-dumping, subsidies, and fisheries subsidies after this week.

Diverse group calls for urgent action

Speaking on behalf of Argentina, Australia, Chile, Iceland, New Zealand, Norway and the US, Ambassador David Walker of New Zealand said the so-called “friends of fish” expect ambitious rules limiting fisheries subsidy payments to be a key result of the rules negotiations. He said members should not let lack of progress in other parts of the Round deter them from pushing ahead on the issue. Walker pointed to the recently released FAO report [“The State of World Fisheries and Aquaculture 2010,”](#) which states that 85 percent of global fish stocks are either fully or over exploited, and said the issue is simply too important.

“The WTO’s credibility on trade and environment issues is at stake here,” Walker said. “A weak outcome calls into question the future ability of the WTO to tackle other trade and environment issues of global importance.”

The group’s statement called for a strong prohibition and strong disciplines on fisheries subsidies, after weeks of attempts by countries such as China, Brazil, Korea, and Japan to introduce various exceptions. Walker also said the group endorses the architecture of the previous chair’s 2007 text (see Bridges Trade BioRes, [30 November 2007](#)).

Environmental organisations applauded the initiative by the friends of fish. “Today’s call clearly demonstrates that there is strong commitment for fisheries subsidies rules that serve global interests and not only protect narrow self concerns,” said Courtney Sakai, senior campaign director for the Washington-based green group Oceana. “The WTO has a real and tangible opportunity to reduce global overfishing. The question is if it will seize this chance.”

Developing country concerns highlighted

In a suggestion on how to move forward, Chile’s Ambassador Mario Matus said that members

should first agree on a general prohibition and then discuss possible exceptions afterwards.

Marion Vernese Williams of Barbados countered that small and vulnerable coastal states that are not responsible for overfishing should be allowed to support their nascent fishing industries. She said because small island countries have no hinterlands and depend only on their fish resources, blocking support for their fishing-dependent communities would be a travesty in a development-focussed Round.

Miguel Carbo Benites of Ecuador said that his country’s [joint proposal with Egypt](#) underlines the crucial need for technical assistance in the fisheries sector. Egypt said that assistance should cover stock assessment, fisheries management, and fulfilling notification requirements. The submission found support from fisheries subsidy watchers who say it contains recommendations that most developing countries have sought for some time. Environment group WWF, which follows the Doha Round fisheries subsidies talks closely, said the proposal “gets the WTO in the right direction” and is a concrete way of ensuring relevant institutions are able to work together.

Brazil said that fisheries subsidies contribute to overcapacity and overfishing. It supported a broad prohibition of fisheries subsidies with special and differential treatment (S&DT) for developing countries. It said that policy space for developing countries should not be a blank cheque, but at the same time should ensure that developing countries can support the construction of fishing fleets. It said that the new agreement should deal with asymmetries between developed and developing countries in this sector. Mexico also supported a broad prohibition with S&DT.

With the Easter deadline approaching quickly, some observers have said that resolving the fisheries subsidies issue, one of the few areas to see progress in recent years, is crucial to legitimising the efficacy of the WTO.

“The WTO is actually being tested as to whether it can deal with some of these other global issues to the extent that trade measures are involved,” Peter Allgeier, former Deputy US Trade Representative,

now with Oceana, told Bridges Trade BioRes. “Certainly fisheries subsidies are a classic trade measure and they are probably the most damaging thing to the oceans in terms of how the various fishing industries operate these days.”

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DOHA ROUND

With Easter Looming, WTO Members Acknowledge “Huge Gaps” on Doha

As Easter approaches, trade negotiators’ thoughts turn to resurrection. Not of the ecclesiastical variety so much as in terms of reviving the long-struggling Doha Round of global trade negotiations. But resurrections are rare events, and recent attempts by WTO members to bridge divisions ahead of an Easter deadline have served primarily to underline how wide those differences are.

Almost a decade after the negotiations started, it remains far from clear whether there is any overlap among key members’ ‘red lines’ — whether the concessions some are willing to make coincide at all with those others are willing to settle for.

The inconclusive nature of ongoing bilateral and other discussions calls into question whether governments will be able to meet their stated goal of concluding a multilateral trade deal by the end of the year; enthusiasm is waning even for an interim target for revised draft negotiating texts by the late-April Easter holiday. A top US trade official suggested Tuesday that it is possible that “tabling new texts in late April risks more harm than good” unless governments can quickly resolve some of their differences - and that if they cannot, “chair’s reports” may be more useful. [Similar Easter deadlines for progress in the Doha Round](#) went unmet in 2006, 2007, and 2008.

Talks over the past week involving senior officials and ambassadors from the so-called G-11 group

of eleven central players in the Doha Round talks highlighted the magnitude of gaps between countries’ substantive positions - gaps that became clearer over the course of bilateral talks involving some of the trading powers, sources say.

The principal impasse in the negotiations remains a deep disagreement between the US and large developing countries like China, India and Brazil on what a Doha Round agreement should look like. Washington argues that fast-growing developing countries must offer greater market-opening for manufactured goods as well as farm products and services - demands that China, India, and Brazil have generally rebuffed as disproportionate to the reforms the US is willing to undertake, particularly on farm subsidies.

The EU, Japan, and Australia are among those who expressed the belief that the gaps could be bridged with further work. Some officials were more despondent, telling Bridges that the round was “dead” because the “gaps are too huge.” The G-11’s Monday meeting ended with no decision about whether it would continue to meet.

At a meeting of the Trade Negotiations Committee on Tuesday, WTO Director-General Pascal Lamy warned that despite intensive meetings since January, progress on developing meaningfully updated draft texts by Easter had not been sufficient. “In all honesty I must tell you we are not [on target],” he said.

Unusually for the WTO chief, he evoked the possibility that the Doha Round could fail, and urged members to consider the consequences, both for the world economy and the multilateral trading system. “Now is the time for all of you, and in particular those among you who bear the largest responsibility in the system, to reflect on the consequences of failure,” he told delegates. “To reflect on the costs of the non-Round to the world economy as well as to the development prospects of members, in particular the smaller and least-developed which are more dependent on an improved set of global trade rules. And above all, it is time to think about the consequences of the non-Round to the multilateral trading system which we have so patiently built over the last 70 years.”

Lamy to consult on NAMA sectorals

Lamy announced that starting 4 April, he would undertake consultations with a number of members with a view to understanding the size of the gaps on what has emerged, following the considerable convergence achieved in 2008, as the single most contentious issue in the negotiations: non-agricultural market access (NAMA), and specifically the 'sectoral' initiatives to deeply slash or eliminate tariffs across entire industrial sectors. "The absence of progress in NAMA sectorals constitutes today a major obstacle to progress on to the remaining market access issues," he said, while emphasising that unresolved problems remained in terms of agricultural and services market access. (Some countries' views on NAMA concessions may be informed by dissatisfaction with what is on offer on agriculture subsidies and tariffs).

The WTO director-general said that following his consultations, he would report to the entire membership. "Together - and on the basis of an across the board view of progress in all areas in the negotiation, including the regulatory part as well as market access - we will then decide on the next steps."

The push for new draft agreements was "not about 'texts for the sake of texts'," Lamy said, arguing that the drafts would serve two key purposes: reflecting convergence achieved and providing "an across-the-board picture of the remaining gaps which will need to be addressed in the end game," and serving as tool for governments to make horizontal trade-offs across different sectors, a necessary precursor to an agreement. He warned negotiators against dropping the pursuit of new texts as "an excuse for refusing to engage in negotiations" or "to remain in the comfort zone of 'all options still open' after ten years of negotiations."

Lamy reminded negotiators that in many cases, their political masters had pledged to conclude the round in 2011 - heads of state from the Group of 20 leading economies have done so, a pledge [reiterated by the presidents of the US and Brazil](#) earlier this month. "You must all be in a position to answer the call from your leaders who pledged

to conclude the round in 2011," he said. "Throwing in the towel now is certainly not what ministers and leaders instructed us to do last year, neither is it what they are expecting from us."

Interventions underscore differences

Many delegations thanked Lamy for organising the informal TNC meeting, which enabled the results of discussions among small groups of countries to be shared with the broader membership. They expressed support for concluding the round this year, and warned that failure to do so would harm the multilateral trading system. Several, however, warned the chairs of the negotiating groups against taking upon themselves to identify where an agreement might lie, instead of relying on input from members - specifically stressing that convergence achieved in small group meetings but not shared multilaterally should be excluded.

Interventions from key players in the negotiations such as the US, Brazil, and China highlighted how differently they perceive the desirable 'landing zone' for an agreement.

"The gaps among members remain wide," said US Ambassador Michael Punke in his statement, stressing that the gaps were neither limited to NAMA nor to bilateral differences between the US and China. "Can these gaps be bridged? I don't have the answer to that question."

In order to illustrate the US's view of the gaps, he outlined the differences revealed by the US's consultations on agriculture and NAMA with key trading partners.

On agriculture, he said that countries had signalled how they would employ flexibilities to shield products from tariff cuts, and that "unfortunately, what we learned confirmed our worst fears - that we would see no new market access on our major agricultural export interests."

Punke also contrasted the US's favoured 'product basket' approach to NAMA sectorals with the version of it backed by China. The US wanted three broad categories for products covered by such initiatives: a "very substantial" zero-for-zero basket for products on which tariffs would be

eliminated; other baskets with in which products would be subject to greater tariff cuts than those required by the standard tariff reduction formula, albeit “using a range of tools to address sensitivities”; and a final basket that accommodates the use of normal NAMA flexibilities for developing countries to shield a limited number of tariff lines and import share from the full force of tariff cuts.

In contrast, Punke said, China wanted a ‘zero’ basket only for developed countries; a ‘greater-than-formula’ basket to which developed countries would have to contribute more than developing countries; a third basket of products for which developing countries would take standard formula cuts while developed countries eliminated tariffs; and a final basket for developing country flexibilities. Developing countries would be able to self-designate which product went into which basket.

“We have carefully analyzed this structure. Ironically, it would significantly increase the imbalance beyond the July 2008 package,” he said.

The perception of “imbalance” in the terms under consideration for tariff and subsidy cuts at the WTO is highly contested among different members. The US believes that the terms are tilted against it, and that this needs to be remedied via greater market access to developing countries through means such as NAMA sectorals, although the mandate specifies that participation in such initiatives is voluntary. Countries like China and Brazil, meanwhile, do not share this perception of imbalance; they believe they have pledged to do more than enough in return for the reforms offered by their trading partners, and find Washington’s demands disproportionate. This was borne out in their ambassadors’ interventions at the meeting.

Brazilian Ambassador Roberto Azevedo said that in addition to some “very remarkable” demands on services, the US was asking Brazil “essentially... to bring duties down to zero for most - or all - of the NAMA lines of certain sensitive sectors such as chemicals, industrial machinery, electronics, hospital equipment, and forestry products.” These requests, he said,

covered a third of all industrial products, and would represent a dramatic increase in the level of market access upon that which Brazil had accepted in 2008. Those sectors, he added, together with sectors such as automobiles, textiles and clothing, footwear, toys on which Brazil is already supposed to reduce its applied tariffs by 33 percent, directly account for over 3.3 million jobs.

In addition, Azevedo said, further exploration revealed that Brazil’s “efforts would not be reciprocated by any of the parties, either requesting or benefiting from such requests,” since in the G-11 discussions, “key developed countries also unambiguously stated that they could not bring any additional contributions to the table in agricultural market access.”

Azevedo said that Brazil was open to adjusting the terms discussed in 2008, as long as “the level of ambition does not change dramatically in areas that are sensitive to us,” and “there is full and proportional reciprocity in areas of Brazil’s interest, agricultural market access in particular.” He expressed qualms, however, about Lamy’s plan to consult on NAMA specifically, warning that “such [a] non-horizontal approach would discourage engagement.”

China, for its part, said that three sectors in which the US and others are seeking sectoral liberalisation — chemicals, industrial machinery and electronic & electrical products - account for 43 percent of China’s total NAMA tariff lines, and more than 55 percent of its total NAMA imports. Yi Xiaozhun, the country’s ambassador to the WTO, said that participating in those sectorals would mean “fundamentally altering the level of China’s tariff reduction in Doha.” He reiterated the Doha mandate for sectorals, which states that participation would be “on a non-mandatory basis,” that “special and differential treatment” provisions would be developed, and that sectors will be chosen “in particular on products of export interest to developing countries.”

“In order to make these negotiations meaningful, major demandeurs have to come back to the earth and get realistic about their ambition,” Yi said.

Scepticism about texts

If there was one area in which the Brazilian and US envoys seemed in agreement, it was scepticism about the value of releasing new draft texts in the absence of further convergence.

“Some may be tempted to request chairs or even you, Mr. Director-General, to use those texts to test landing zones and try to facilitate convergence,” said Brazil’s Azevedo. “This may well be a big faux pas with irreversible consequences. At this juncture, gaps are so wide that any attempt to ‘split differences’ will very likely be vehemently rejected by Members on both side of the divide. This could be an additional blow to negotiations at a moment when we can ill afford it.” He suggested that decisions on how to proceed with regard to the texts could be made in April, after Lamy’s consultations.

US Ambassador Punke said much the same in his TNC speech, arguing that unless members “don’t quickly solve some of the problems we are encountering in our work, we will have to reassess whether tabling new texts in late April risks more harm than good.”

“This is not a time for Members to look to chairs to solve problems that they themselves cannot solve. Such an approach, quite simply, will not work. Compromises that do not have buy-in from Members obscure gaps rather than making them clearer and can give a false sense of progress.”

Punke warned that “putting a new date on an old text, perhaps with a few minor changes, will not contribute to progress and risks sparking acrimonious debates.” In the absence of texts, he suggested that chairs’ reports “could cover all areas of outstanding differences and could be equally suitable for both rules and market access issues.”

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SUSTAINABLE ENERGY

Washington Announces Plans to Dramatically Slash Oil Imports

In the wake of soaring gasoline prices resulting from political turmoil in the Middle East US, President Barack Obama has announced an aggressive new energy target that would reduce oil imports by one-third by 2025.

In his speech this past Wednesday at Georgetown University in Washington, DC, Obama outlined his new “Blueprint for a Secure Energy Future,” which will help the US reach its goal of lowering oil imports. The blueprint is a multi-faceted approach to clean, sustainable energy. It seeks to curb foreign oil dependence by raising domestic energy production, increasing the use of natural gas in vehicles, increasing automobile fuel efficiency, and encouraging the use of alternative energy.

Obama emphasised that reducing the US dependence on foreign oil is necessary to ensure a long-term secure and stable energy supply.

“The only way for America’s energy supply to be truly secure is by permanently reducing our dependence on oil,” Obama said. “We’re going to have to find ways to boost our efficiency so that we use less oil...and we have to do it quickly.”

Increased domestic production

Obama stated that increasing domestic energy production will include incentivising oil companies to explore and drill on dormant leases that have already been granted by the US government.

“Right now, the industry holds tens of millions of acres of leases where they’re not producing – a single drop,” the president said. “They’re just sitting on supplies of American energy that are ready to be tapped. And that’s why part of our plan is to provide new and better incentives that promote rapid, responsible development of these resources.”

Obama also referenced a Department of the Interior report that said 57 percent of onshore leases and 70 percent of offshore leases have not been explored or developed. He further stated that incentives will include shortening lease agreements to force companies to develop faster and requiring drilling to begin before an extension on the lease can be granted.

Natural gas, renewables

The president also touted increasing the use of natural gas and urged Congress to pass a bill that would encourage the use of natural gas in automobiles. Obama cited a recent study which indicates that the US has 100 years worth of domestic shale gas reserves at its disposal that can be tapped to help reduce the country's dependence on foreign oil.

In response to concerns from environmentalists over controversial shale drilling practices, Obama said the Energy Secretary Steven Chu would undertake a safety review of these practices. The president also announced that he would launch an initiative that would recommend environmentally safe drilling practices to companies.

A "Clean Energy Standard," which aims to produce 80 percent of the US' electricity needs from clean energy sources, was also proposed in conjunction with the "Blueprint for a Secure Energy Future." Potential clean energy sources include natural gas, nuclear power, wind, solar, geothermal, hydropower, and biomass.

Cynics pan initiative

Obama's call to replace oil imports with domestic drilling initiatives and clean energy alternatives has ignited criticism from the Republican Party. Republicans claim that the government-imposed moratorium on offshore drilling following the BP oil spill in April 2010 has and will continue to stymie domestic oil production. Furthermore, they argue that the move to clean energy will not help solve the US' current economic woes.

Criticism over the claim the oil companies are sitting on their drilling leases has also been heard

from American Petroleum Institute, the trade association for the oil and gas industry. The Institute claims that government-imposed obstacles are preventing domestic companies from exploring and drilling on this land.

Cynics also remain sceptical as to whether Obama will take the necessary action to implement his ambitious oil and energy goals.

"It's nothing new; we've heard this from five previous presidents," said Richard Gheit, a managing director and senior analyst for the investment firm Oppenheimer and Co. "Plans are fine but the implementation is the difficult part."

With elections looming in the near future, [analysts have warned](#) that any sweeping overhaul of the current energy policy that would force Americans to change their consumption habits could prove to be "politically toxic."

In response to critics, Obama admitted that change in the US' energy policy will require new legislation and more money, both of which will be difficult to achieve in the current political climate. He also acknowledged that the gridlock in Congress over the energy policy continues to make reform difficult.

However, Obama said he remains positive. Harking on his key campaign note, Obama insisted that future generations can and will be able to reduce their dependency on oil and change the face of energy consumption.

ICTSD Reporting; "An Energy Plan Derailed by Events is Being Retooled," NEW YORK TIMES, 30 March, 2011; "In Energy Speech, Obama Exchanges the Ambitious for a Politically Possible Future," CHRISTIAN SCIENCE MONITOR, 30 March, 2011; "Obama Calls for Deep Cuts in U.S Oil Imports," PLANET ARK, 31 March, 2011; "Obama Wants to Cut Oil Imports by One-Third," INDUSTRY WEEK, 30 March, 2011; "President Obama Calls for Cut in Oil Imports," POLITICO, 30 March, 2011.

BIOTECHNOLOGY

Organic Farmers Take Monsanto to Court

In a case that some are calling a reversal of traditional roles, biotechnology giant Monsanto's patents on genetically modified (GM) seeds are the target of a new law suit by organic farmers and seed dealers in US courts. However, Monsanto has dismissed the charges, calling the suit a "publicity stunt" aimed at creating confusion over biotech crops.

The 270,000 individuals represented by the plaintiff organisations took up legal action on 29 March against the multinational corporation, arguing that their GM crops are jeopardising their livelihoods.

"Coexistence between transgenic seed and organic seed is impossible because transgenic seed contaminates and eventually overcomes organic seed," begins the official lawsuit filed by advocacy group the Public Patent Foundation (PUBPAT) in a Manhattan federal court.

The case requests that New York circuit courts protect the farmers from legal action by Monsanto if their crops were to be contaminated by undesired cross-pollination by GM seeds. Due to Monsanto's controversial history of prosecuting small-scale farmers for patent infringement, the 60 – mainly organic – farming organisations launched the lawsuit as "proactive defence."

"The Plaintiffs were forced to sue pre-emptively to protect themselves from being accused of patent infringement should they ever become contaminated by Monsanto's genetically modified seed," said Dan Ravicher, PUBPAT's Executive Director, in a press release.

Contamination and trespassing

In one of the more radical charges in the suit, the group argues that Monsanto transgenic seed patents are "invalid" and, as such, should not have been granted in the first place. The suit also

charges that undesired cross-pollination constitutes trespassing on behalf of Monsanto.

In the US, Monsanto produces maize, canola, soybeans, cotton, alfalfa, and sugar beet seeds that are genetically altered to be resistant to the herbicide glyphosate – better known as Roundup – which Monsanto also produces. The patent for "Roundup Ready" GM seeds is highly protected by the corporation.

According to a 2005 study by the Center for Food Safety in the US, Monsanto had prosecuted over 147 farmers and 39 small businesses as of December 2004 and earned favourable judgements.

Many of these farmers claimed that their fields were inadvertently contaminated. However, the details surrounding the majority of the disputes are unknown because of confidentiality agreements.

Economy and health

The "invalidity" aspect of the farmer's and seed producer's lawsuit contends that Monsanto transgenic seed patents fail to meet the necessary "usefulness" clause of US patent law. In fact, PUBPAT claims, they are "injurious to the wellbeing, good policy, and sound morals of a society thus making their patents illegal."

The claim contends that Monsanto's acquisition of over 30 seed companies in the past 5 years in the US has led to a concentration of the market in transgenic seed production and that this has quelled innovation and harmed consumer choice.

"Their patents have enabled Monsanto to gain alarming economic and political power to control the development of American and global agricultural and food systems," said Dave Rogers of the Northeast Organic Farmer's Association – a plaintiff organisation.

The group also cites a medical study linking glyphosate to non-Hodgkin's lymphoma, hairy cell leukaemia, and multiple myeloma.

Meanwhile, Monsanto issued a brief statement on the issue, arguing that many of the allegations in the suit are “false, misleading, and deceptive.” The company dismisses the lawsuit, insisting that it has never been its policy to take legal action against farmers who inadvertently have trace amounts of their patented seeds and argue that biotech crops have created a wealth of benefits to farmers and the environment.

“The plaintiffs’ approach is a publicity stunt designed to confuse the facts about American agriculture,” Monsanto’s statement reads. “We are confident that [organic and high-yielding seed technologies] can coexist side-by-side and sustainably meet the world’s food needs over the next 40 years.”

Biotech increases foothold in Europe

In other biotech news, Monsanto has gained ground in historically hostile Europe. Last month, EC officials approved a shift away from their zero tolerance policy for GM products that had been the foundation of Europe’s policy towards biotechnology (See [Bridges Trade BioRes, 7 March 2011](#)). Now trace amounts of GM crops from the US and others can enter the EU in animal feed.

The European Court of Justice also issued a non-binding ruling on 22 March that independent countries within Europe are in breach of EU law by unilaterally banning GM crop cultivation.

“The French authorities could not suspend the cultivation of Monsanto GM maize on national territory without having first asked the European Commission to adopt emergency measures citing a risk to health and the environment,” Advocate-General Paolo Mengozzi said in his ruling.

Austria, Bulgaria, Germany, Greece, Hungary, and Luxembourg also have bans against Monsanto maize.

Monsanto transgenic maize for animal foodstuffs is one of two GM products approved for use in Europe. Its 10-year license is up for renewal this year and fierce lobbying from both sides of the issue have ensued.

More information

The PUBPAT Press Release is available [here](#). “Cancer Incidence among Gluphosate-Exposed Pesticide Applicators in the Agricultural Health Study” can be found [here](#).

ICTSD Reporting; “Organic Farmers Sue, Seek Protection From Monsanto,” 30 March 2011, REUTERS; “Major lead blow to European anti-GM crops lobby”, AFP, 22 March 2011; “EU court official: French ban on GMO maize illegal”, REUTERS, 22 March 2011; “Echoing Big Agribusiness, Farmers Sue Monsanto”, THE ATLANTIC, 30 March 2011; “Organic Farmers Sue, Seek Protection From Monsanto”, REUTERS, 30 March 2011.

IN BRIEF

WTO Establishes Dispute Settlement Panel on EU Seal Ban

The WTO on 25 March formally established a dispute settlement panel to determine whether an EU regulation banning imports of seal products complies with WTO rules.

Canada initiated dispute proceedings against the EU in November 2009 for imposing an import ban on seal products. Canada sought the creation of a WTO panel in February of this year, after consultations failed to yield a resolution. The EU rejected the first request, but, as per WTO rules, could not do so a second time.

The EU ban on seal products is based on arguments that seal harvesting practices from commercial operations - like those in Canada - are “inherently cruel” and “inhumane.” However, Canada strongly rejects that rationale, arguing that seal harvesting in Canada is done humanely and that its sealing practices are “safe, sustainable, and economically legitimate.”

Canada has also made a separate request for the establishment of a panel against Belgium’s and the Netherlands’ more stringent national-level bans on

seal products. However, the Belgian and Dutch governments are in the process of repealing their laws so that they are limited to implementing the EU regulation, at which point Canada would be expected to drop its additional claims against the two countries' measures, EU officials said.

Norway joined Canada in its efforts by also requesting the establishment of a panel to decide the legality of the EU's ban on seal products (see Bridges Trade BioRes, [21 March 2011](#)). The EU, however, was able to block the request, as it was Norway's first.

Norway argues that none of the seal species hunted were endangered and that none were listed by the Convention on International Trade and Endangered Species of Wild Fauna and Flora (CITES). Norway further contends that such a ban infringes on WTO members' right to trade in marine resources harvested in a sustainable manner.

Canada continues to endorse its partnership with Norway on the issue as it proceeds with the WTO dispute process.

"Like-minded nations need to form a common front in the face of common challenges," said Gail Shea, Canada's Federal Fisheries Minister. "We are proud to have a strong partner like Norway standing with us as we pursue this trade action and as we continue to defend the legitimate economic activities of sealers."

Iceland has also recently requested to participate in the dispute process as a third party, and remains increasingly critical of the EU's actions. Representatives from Iceland told the WTO committee that it felt the dispute was "not just about seal products but also related to the principle of sustainable utilisation of all living marine resources and the ability to market the products resulting from hunting and fishing."

The dispute panel may take up to 15 months to issue a ruling and make a public report.

More information

Canada's request can be accessed [here](#).

Norway's request can be accessed [here](#).

ICTSD Reporting; "Canada's Seal Ban Appeal Goes to WTO Panel," CBC NEWS, 25 March, 2011; "Iceland Protest EU Import Ban of Seal Products," ICELAND REVIEW ONLINE, 30 March, 2011; "WTO Agrees to Panel in EU-Canada Seal Dispute, Blocks Norway's Request", FEEDSTUFFS, 29 March, 2011; "WTO Moves on Canada Seal Ban Grievance," NUNATSIAQ, 26 March, 2011.

Sustainability Criteria for Biofuels Up and Running

The Roundtable on Sustainable Biofuels has launched a set of comprehensive sustainability criteria – the "RSB Certification System." Biofuels producers that adhere to these criteria are able to show buyers and regulators that their product has been obtained without harming the environment or violating human rights. The criteria apply along the full value chain, allowing traceability from production through feedstock to the point of consumption.

Biofuels, once considered a silver bullet for tackling climate change and agricultural overproduction, have come under fierce criticism over the past few years (see Bridges Trade BioRes, [8 November 2010](#)). While their use is mandated both in the EU and US, they need to comply with certain criteria in order to be used to fulfill the mandates. In the EU, these criteria are quite comprehensive. The certification, including auditing, will be handled by private entities.

The Roundtable on Sustainable Biofuels is a multi-stakeholder forum including 120 environmental organisations, biofuels producers, governments and other interested parties. This group has worked out a comprehensive set of environmental and social criteria that are in line with EU sustainability criteria. Some – such as human rights issues, which are not among the EU criteria – even go beyond them on several accounts.

"The RSB has elevated the role of social and environmental safeguards, emphasising the critical

aspects of sustainability in the biofuels sector,” said Juan Marco Alvarez, Director of the Economy and Environmental Governance group at the International Union for Conservation of Nature (IUCN). “It is now ready to start making it achievable.”

The new criteria were launched on 23 March at the World Biofuels Markets, which is the largest annual event on biofuels, drawing large numbers of actors in the sector. The criteria are so called voluntary private sector standards, although companies that adhere to them would also be in compliance with mandatory EU sustainability criteria once the EU officially recognises the RSB Certification System. Voluntary standards have been heavily debated at the WTO over the last few years, as some Members see them as an emerging form of “green protectionism.”

ICTSD Reporting.

Fisheries Liberalisation Closer as EU, Colombia, Peru Initial FTA

Negotiators from the EU, Colombia and Peru last Thursday initialled a comprehensive trade agreement, paving the way for the formal signing and ratification of the accord.

Talks on the deal, which will ultimately liberalise all trade in industrial and fisheries products among the participating countries, were concluded nearly a month ago. A lengthy legal review of the agreement text occurred before its initialling; a further detailed translation process is necessary before the formal signature. Officials are hopeful that the agreement could then be ratified and enter into force, as early as the beginning of 2012.

The FTA covers manufactured products, agriculture goods, services, and investment, and also includes provisions on intellectual property, trade remedies, and competition rules. According to the EU, when the accord enters into force, 80 percent of industrial goods trade will be liberalised with Peru, and 65 percent Colombia. Brussels foresees expanded market access for exporters from all three parties in sectors such as fruits and

vegetables, fisheries, automobiles, electronics and machinery, wines and spirits, along with services like telecoms and banking.

Intellectual property provisions in the agreement do not extend to pharmaceutical test data exclusivity periods in Peru and Colombia - an issue that has been the subject of heated debate in the EU's FTA negotiations with India. They do, however, go beyond WTO requirements on some issues related to the enforcement of intellectual property protections.

Although the agreement is moving towards ratification, opponents of the deal have not accepted defeat. Earlier this month, 200 civil society organisations signed a manifesto against the FTA. While some NGOs object to Colombia's human rights standards, Colombian dairy producers fear they will be unable to compete against highly subsidised EU dairy farmers.

Peruvian media report that in anticipation of the FTA's entry into force, European businesses are already considering investing in Peru, ranging from brick and ceramic manufacturers keen to take advantage of cheaper energy to construction firms targeting both domestic sales and export opportunities.

FTA negotiations among the EU, Colombia, and Peru started in 2007. The prospect of imminent entry into force of the pact may influence support in Washington for Congressional ratification of the US's own deal with Colombia, which was first negotiated in 2006 but has since languished amidst objections by Democratic lawmakers about labour rights in Colombia. If the EU-Colombia-Peru accord goes ahead first, it may enable European companies to secure a toehold in the Colombian market at the expense of their US competitors.

More information

The full FTA text can be viewed [here](#).

ICTSD Reporting; “Colombia and Peru closer to implementing the free trade agreement with the EU,” MercoPress: South Atlantic News Agency, 27 March 2011; “More European investors eye Peru,” Andina, 27 March 2011; “Negotiators

initial trade agreement between the EU, Colombia and Peru,” European Commission, 24 March 2011.

US Senators Prepare to Vote on EPA Climate Authority

The US Senate is expected to begin voting this week on legislation that would hinder the country’s Environmental Protection Agency’s (EPA) ability to regulate greenhouse gas emissions. Lawmakers were slated to vote on the controversial amendments last week, but disagreements sidelined the votes.

Because Republican victories in congressional voting last November effectively extinguished the possibility of passing climate change legislation (see Bridges Trade BioRes, [8 November 2010](#)), the Obama administration has instead shifted the responsibility to the EPA. The Supreme Court ruled in 2007 that the EPA had the authority to regulate emissions through the Clean Air Act due to their contribution to adverse effects of climate change.

But the Republican proposal to be voted on this week, would permanently block the EPA’s authority on the matter. Senate Republicans are arguing that the US would not be able to withstand the economic costs associated with new emissions requirements, and that this type of legislation is necessary in order to protect jobs. Republicans are hoping to garner support for the proposal, drafted by Republican Mitch McConnell of Kentucky, from moderate Democrats in coal producing and consuming states in the face of re-elections.

Democrats are warning that passing this type of legislation will be dangerous for US environmental initiatives. Senator Barbara Boxer, a Democrat from California, was quoted saying that if the McConnell amendment is allowed to pass, that the US is “ceding [its] leadership in environmentally clean technology to China.”

Several other amendments have been proposed by Democrats as alternatives to the McConnell

amendment. Senator Max Baucus of Montana proposed exempting any carbon emitters below 75,000 tonnes per year from EPA regulation, while Senator Jay Rockefeller of West Virginia proposed legislation that would delay EPA regulation by two years.

It remains unclear whether Republicans will have enough votes to pass their legislation. However, Matt Dempsy, a spokesman for Republican Senator James Inhofe said that even if the McConnell amendment is not passed, a strong number of votes in favour of the legislation would be encouraging.

"[A high number of votes] will show that a strong bipartisan majority of the US Senate supports reining in the EPA and rejecting the Obama administration's cap and trade agenda," said Dempsey.

The White House has indicated that it intends to veto any bills that would limit the EPA’s regulating capabilities.

ITCSD Reporting; “Senate Measure to Stop EPA Rules Would Aid China, California’s Boxer Says,” BLOOMBERG, 30 March, 2011; “Senate Showdown Looms over EPA Carbon Rules,” PLANET ARK, 30 March, 2011; “Senate Vote May End Obama’s Climate Change Ambitions,” GUARDIAN.CO.UK, 30 March, 2011.

EU Green Fuel Debate Back on Agenda: Hedegaard

European governments may resume discussions in the coming months on a proposal to promote greener energy by potentially black-listing fuels whose production is more polluting, according to EU Climate Change Commissioner Connie Hedegaard.

According to the EU climate chief, default emission values for fuel derived from oil sands and oil shale will be peer reviewed and included in the proposal. The Commission intends to present a draft implementation measure in this regard.

The envisaged adoption of implementing rules for the EU's fuel quality directive, which requires oil companies in the EU market to reduce the greenhouse gas emissions of their fuels by 6 percent compared to 2010 levels in the next decade, has caused tensions between the EU and Canada in ongoing negotiations on a Comprehensive Economic and Trade Agreement (CETA) (see Bridges Trade BioRes, [7 March 2011](#)).

In particular, Canada had opposed that oil sands be ascribed a greenhouse gas value of 107 grams per megajoule of fuel compared to an average of 87.1 grams for crude oil. This could constitute an "unjustifiable discrimination" towards Canadian oil under WTO law, potentially disadvantaging Canadian oil products on the European market.

Canadian officials had denied any allegations of linking the fuel standard issue to the trade talks, while lobbying the Commission and member states intensively on this issue. European environmentalists were concerned that if CETA provisions neglect to establish the EU's right to ascertain effective measures against climate change, the EU could potentially face legal challenges on the categorisation of fuels.

Since public interest in the fuel quality directive escalated over 2010, the EU announced that it would push back its ruling on this issue until December 2011 (see Bridges Trade BioRes, [11 October 2010](#)). More robust scientific evidence in conjunction with the now proposed inclusion of default values for shale oil – whose use EU member state Estonia has been promoting – may prevent Canada from filing a complaint to the WTO that the green fuel norms discriminate against it.

ICTSD Reporting; "Oilsands to be black-listed by the EU?", REUTERS, 25 March 2011; "EU Climate Chief sees green fuel debate in months," REUTERS, 28 March 2011; "Canada-EU trade deal threatened by oilsands dispute," VANCOUVER SUN, 21 February 2011; "Row over green status of oil from tar sands," EUROPEAN VOICE, 03.02.2011, 3 February 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 (4-18 April)

3-8 April, Bangkok, Thailand. UN FRAMEWORK CONVENTION ON CLIMATE CHANGE AWG-KP 16 AND AWG-LCA 14. The first of this year's major UNFCCC meetings will feature the sixteenth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 16), the fourteenth session of the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA 14), as well as a handful of workshops on issues pursuant to the Cancun Agreements, such as intellectual property. More information can be found on the [UNFCCC website](#).

11-12 April, Paris, France. 2011 BUSINESS AND INDUSTRY GLOBAL DIALOGUE: THE ROAD TO RIO+20. This meeting, convened by the UN Environment Programme (UNEP) and the International Chamber of Commerce (ICC), will focus on strengthening the role of the private sector in the transition to a resource-efficient and green economy. The objective of the two-day meeting is to review and operationalise the role and contribution of business and industry in the transition to a green economy. The meeting seeks to contribute to the global processes leading to the UN Conference on Sustainable Development (Rio+20). For more information, visit the [event website](#).

11-13 April, Sao Paulo, Brazil. FSC CERTIFIED PLANTATIONS AND LOCAL COMMUNITIES: CHALLENGES, ACTIVITIES, STANDARDS, AND SOLUTIONS WORKSHOP. This workshop,

sponsored by the Forest Stewardship Council (FSC), will explore company-community collaborations in the FSC system and discuss important issues for strengthening the benefits from certified operations for local communities. The workshop will feature five independently-researched case studies and will also include a field trip to on one of two local FSC certified operations. For more information, visit the [event website](#).

12-13 April, Bonn, Germany. THE EUROPEAN CONFERENCE ON BIODIVERSITY AND CLIMATE CHANGE – SCIENCE, PRACTICE, AND POLICY. This conference, co-organised by the German Federal Agency for Nature Conservation (BfN) and the European Network of Heads of Nature Conservation Agencies (ENCA), will offer a platform to discuss recent research in the field of climate change and biodiversity. Special attention will be paid to the question of how these results can support practitioners and be fed into political decision making processes. The conference will include speakers from the European Commission, the Biodiversity and Climate Research Centre, and the Global Biodiversity Information Facility. For more information, visit the [event website](#).

13 April, Brussels, Belgium. WORKSHOP: DOES BANNING ILLEGAL LOGGING RULE OUT WOOD? This workshop, organised by the United Nations Economic Commission for Europe (UNECE), will focus on understanding recent trade legislation in the UNECE region and stimulating stakeholder discussions. The workshop hopes to achieve a broadened awareness of the legislation and aims to produce conclusions and recommendations that will be available to policymakers for consideration in the future. For more information, visit the [event website](#).

Other upcoming events

9-14 May, Rosario, Argentina. SUSTAINABLE TRANSPORT AND AIR QUALITY

CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN 2011. The main objective of this conference is to address how to achieve sustainable transport in Latin America and the Caribbean. It will examine the health and environmental benefits of improving urban transport, emissions inventories and monitoring, the use of alternative fuels, carbon financing to improve urban transport and regional collaborative initiatives. For more information, visit the [event website](#).

3-5 June, Bonn, Germany. SECOND WORLD CONGRESS ON CITIES AND ADAPTION TO CLIMATE CHANGE – RESILIENT CITIES 2011. This conference, convened by the International Council for Local Environmental Initiatives (ICLEI), the city of Bonn, and the World Mayors Council on Climate Change, is a global platform for learning, cooperation, and networking on all aspects of urban resilience and adaptation to climate change. “Resilient Cities” will provide a forum for governments, non-governmental organisations and the private sector to exchange the latest information on worldwide climate change strategies while showcasing innovative, local solutions. For more information, visit the [event website](#).

20-24 June, Geneva, Switzerland. FIFTH MEETING OF THE CONFERENCE OF THE PARTIES TO THE ROTTERDAM CONVENTION (PIC COP 5). This meeting will primarily discuss matters related to the implementation of the Rotterdam Convention, including the Chemical Review Committee and financial resources. PIC COP 5 will also consider the recommendation of the Chemical Review Committee to include endosulfan and azinphos methyl in Annex III to the Convention. For more information, visit the [event website](#).

2-7 May, Beirut, Lebanon. REGIONAL WORKSHOP FOR NORTH AFRICA AND THE MIDDLE EAST ON UPDATING NATIONAL BIODIVERSITY STRATEGIES AND ACTION PLANS. This workshop is the

first in a series of workshops organised by the Secretariat of the Convention on Biological Diversity to assist with regional and sub-regional capacity building in North Africa and the Middle East. The workshop series aims to help facilitate national implementation of the Strategic Plan for Biodiversity 2011-2020 and to translate the post-2010 strategic plan into national targets and commitments. This specific workshop will be comprised of multiple sessions including one focused on further developing a regional strategy on invasive alien species. For more information, visit the [event website](#).

Resources

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

GLOBAL CORRUPTION REPORT: CLIMATE CHANGE. Published by Transparency International (March 2011). This report comprehensively explores how the risks posed by corruption will affect the global response to climate change. The report focuses on four key areas: governance, adapting to climate change, forestry governance, and the global corruption report. It includes contributions from more than 50 leading experts and practitioners to provide policy analysis that aims to assist stakeholders in understanding the effects of corruption and developing effective responses. The full report is available for purchase [online](#).

OUTSTANDING ISSUES ON ACCESS AND BENEFIT SHARING UNDER THE MULTILATERAL SYSTEM OF THE INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE (ITPGRFA). Published by the Berne Declaration (March 2011). This study assesses the state of implementation of ITPGRFA's multilateral system for access and benefit-sharing seven years after the treaty has come into force. The study finds that overall implementation of the multilateral system for

access and benefit-sharing has been slow. It further identifies a need for several measures that will allow for the implementation of the multilateral system for access and benefit-sharing in a way that achieves the objectives of the treaty. The full study is available [online](#).

CARBON FINANCE: A GUIDE FOR SUSTAINABLE ENERGY ENTERPRISES AND NGOS. Published by Global Village Energy Partnership International (March 2011). This paper is a guide for energy entrepreneurs who want to link their business to carbon finance. The guide aims to provide recommendations for businesses' to help them navigate the complexities of the carbon market. It is intended for project managers who want to know how to estimate the carbon emissions saved by their project and for entrepreneurs who want to be able to consider carbon finance in their investment plan. Some of the topics covered include the key concepts of carbon finance, the application process, and investment planning. The full guide is available [online](#).

LINKING AN EU EMISSION REDUCTION TARGET BEYOND 20% TO ENERGY SECURITY IN CENTRAL AND EASTERN EUROPE. Published by The Finnish Institute of International Affairs (March 2011). This paper assesses the issue of energy security and climate policy from the perspective of the Central and Eastern Europe (CEE) Member States. Qualitative case studies are conducted of the objective understanding and political discourse around energy security and climate policy in Poland, the Czech Republic and Latvia. The full working paper is available [online](#).