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Trade, Europe and a livable world

By Ricardo Melendez-Ortiz, Director of International Center for Trade and Sustainable Development ICTSD, Geneva

"...the environmental agenda in trade...is real. It's not invented. Markets without adequate environmental disciplines in place do not function properly, effectively or efficiently... So environment is a basic market discipline..."
Konrad von Moltke¹

Trade is an undeniable facet of modern globalized life and has inextricable links to environmental sustainability. Is trade threatening biodiversity? Among the biodiversity community the jury is still out. Some see the march towards free trade under the auspices of the World Trade Organization (WTO) as a certain downfall for the planet. A more optimistic view retains faith that an open, fair, rules-based multilateral trading system (MTS) can in the long run assist in advancing environmental objectives. The current and most likely outcomes lie somewhere in between and the conservation community plays a crucial role in tipping that balance.

Recognition of the interdependence between trade and environment was first called for at the Rio Summit in 1992 and then 10 years later at the World Summit on Sustainable Development by all nations. In the same vein, sustainable development was made a key objective of the WTO at its 1995 inception and reaffirmed as an organizing principle in the 2001 mandate for the current Doha Round of negotiations.

Despite these good intentions, international governance, including the MTS, will not deliver

¹ *Policing the Global Economy* conference, Geneva, March 1998.

sustainable development on its own. Driven by a hard-pressed quest for economic growth, governments time and again find themselves unable to preserve other domestic public policy agendas in international dealings, including those promoted by conservation communities.

A complicating factor for governments is that trade and environment differ fundamentally in how they have been structured in terms of international standards and economic systems. Legal trade constructs are based on negotiated contractual arrangements around a centralized system of concessions, rights and obligations and based on a mercantilist process and approach. International environmental law also places an emphasis on rules-based cooperation but it is atomized into hundreds of diverse agreements, such as the Convention on International Trade in Endangered Species (CITES), the Basel Convention governing hazardous waste trade and the Cartagena Protocol on Biosafety. These treaties are primarily guided by soft law with no effective adjudication mechanisms.

Contributing to the complexity in the European context is that the European Union (EU) and WTO handling of trade and environment are not always in line with one another. This can be seen for example in the MTS and the European customs union treaty which appear similar on rules and objectives, but have significantly different underlying characteristics. At the centre of disparity is the emphasis placed in

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January–March 2006

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McHale Ward Associates

Produced by:

IUCN PSU, Cambridge

IUCN Regional Office for Europe Newsletter

Volume 9 • 2005

ISSN: 1728-8908 - English

Letter from the Regional Director



Photo: ROJE

Dear Reader

Coming out just after the 6th WTO Ministerial Conference in Hong Kong (13–18 December 2005), "European Trade and Global Biodiversity" is a timely

theme for this edition of our newsletter. At the time of writing this letter, the Conference has not even started yet and the outcome cannot be predicted. A collapse of the Doha Round negotiations could have serious implications for the environment and sustainable development. ICTSD has kindly prepared a fascinating article which outlines some of the underlying reasons for the tensions between trade and environment policies. We are also pleased to present interviews with our members RSPB (pages 8 and 9), IISD (page 13), and WWF-France (pages 14 and 15) which provide context and differing perspectives on this increasingly important topic.

TRAFFIC has provided an informative overview of wildlife trade in Europe on page 12 which we explore in further detail with a case study on sturgeon caviar (pages 4 and 5). Additionally, on page 18 you can read about the EU's response to international illegal logging.

Examining the chains of production is an area our IUCN Netherlands National Committee has a great deal of experience in; they have written an interesting report on tracking trade flows on pages 16 and 17 and produced the useful map which is enclosed in this edition. The "footprint" of Europe is in fact a subject which we would like to address through a project we entitle: 'Europe and the World's Ecology'. So far, we have not found financial resources to implement the project. Any assistance in resourcing the project would be most welcome.

In addition to our usual "From the Field: Science news and updates" on pages 6 and 7 and "New news" section (page 4), we have compiled a list of environmental trade acronyms on page 3 and the latest EU and European trade statistics on pages 10 and 11. "Brussels in Brief" also provides some useful information on European policies related to trade.

Happy reading

Tamas

Continued from page 1...

Europe on subsidiarity and sovereignty versus that proposed by the MTS, on harmonization and universality of norms and standards. The question of domestic – or European – regulatory space versus a WTO continuously expansive notion of market access is also a source of friction.

The impacts of Europe's differing approach can be seen in the new EU rules on voluntary schemes to ensure that imports of timber are sourced from legally harvested forests, as well as the draft European chemicals legislation which aims to safeguard the environment and consumer health in Europe, but which has raised concerns amongst developing countries that fear further obstacles to their exports.

The European Union has taken its message of sustainable development to the WTO and has been an important player in keeping environment on the agenda. The European Commission became a *demandeur* for launching negotiations on the environment at Doha in 2001. Countries are currently negotiating liberalization of environmental goods and services as well as the relationship between MEAs and WTO rules, and information exchange between MEA Secretariats and the WTO.

Europe's focus on environmental issues has however often resulted in too little attention on wide-ranging implications of broader trade negotiations with relevance to biodiversity, like the ongoing talks on the relationship between the CBD and the Agreement on Trade-related Aspects of Intellectual Property Rights. Additionally the ecological side effects of agricultural subsidies and the ecological impact of tariff reductions on non-agricultural should be examined more closely.

Europe could take the following concrete steps to improve the situation:

- Assess impacts on the natural environment of trade liberalization in agriculture, forests, fish and industrial goods trade, and mobilize political will to act on findings against specific indicators of the 2010 target of halting loss of biodiversity.

The views expressed in this publication are those of the authors and do not necessarily reflect the views of IUCN



- Promote sustainable forest management through trade, including by encouraging government procurement of timber from sustainably managed forests, and implement measures to combat illegal logging.
- Reduce subsidies to fishing fleets and take a proactive stance in WTO on this issue, bearing in mind environmental and developmental concerns.
- Ensure that fisheries access agreements with developing countries do not harm fish stocks – including by setting sustainable catch limits and helping partners establish resource management and sustainable livelihoods policies.
- Establish fair mechanisms to address the relationship between innovation, genetic resources and traditional knowledge.
- Ensure that European agriculture policies foster sustainable production whilst enabling fair participation of developing countries in international agricultural trade.
- Provide technical and financial assistance to developing countries to meet European environmental and health standards.

Europe has long been a strong advocate for mainstreaming environmental considerations into national, regional and multilateral policy making, but much more could be done to put words into action. It is up to the conservation community to keep the policy makers and all other stakeholders on track, in order to ‘tip the balance’ between trade and environmental objectives – not only in Europe but worldwide. Adequate analysis and information are fundamental conditions for this effort.

ICTSD

The ICTSD endeavours to contribute to making the multilateral system supportive of sustainable development by building knowledge and capacities that empower affected stakeholders to articulate their public policy objectives and effectively integrate them in international trade policy. To this end, the Centre permanently aims to actively engage with the biodiversity community, not least through its collaboration with IUCN, to build understanding of the trade-related aspects of their concerns and the use of trade tools to promote their strategies and to promote their dialogue with other relevant policy communities. ICTSD attention is not only focussing on the global level, but is also active at the European level.

Glossary of environmental trade terms

| | |
|--------------------------|--|
| Agenda 21 | The Agenda for the 21st Century – a declaration from the 1992 Earth Summit (UN Conference on the Environment and Development) held in Rio de Janeiro. |
| Article XX | GATT (General Agreement on Tariffs and Trade) article listing allowed “exceptions” to the trade rules. |
| Basel Convention | An MEA (Multilateral Environmental Agreement) dealing with hazardous waste. |
| CAP | Common Agricultural Policy – the EU’s comprehensive system of production targets and marketing mechanisms designed to manage agricultural trade within the EU and with the rest of the world. |
| CITES | Convention on International Trade in Endangered Species. An MEA (Multilateral Environmental Agreement). |
| CTE | The WTO Committee on Trade and Environment. |
| EST | Environmentally-Sound Technology. |
| EST&P | EST and products. |
| GATT | General Agreement on Tariffs and Trade, which has been superseded as an international organization by the WTO. An updated General Agreement is now one of the WTO’s agreements. |
| LCA | Life Cycle Analysis – a method of assessing whether a good or service is environmentally friendly. |
| MEA | Multilateral Environmental Agreement. |
| Montreal Protocol | An MEA (Multilateral Environmental Agreement) dealing with the depletion of the earth’s ozone layer. |
| SPS regulations | Sanitary and Phytosanitary regulations – government standards to protect human, animal and plant life and health, to help ensure that food is safe for consumption. |
| TRAFFIC | The joint wildlife trade monitoring programme of WWF-World Wide Fund For Nature and IUCN – The World Conservation Union which works to ensure that trade in wild plants and animals is not a threat to the conservation of nature. |

Sources:

www.wto.org/english/thewto_e/minist_e/min99_e/english/about_e/23glos_e.htm#ag
www.traffic.org/about/
www.biodiv.org/chm/

New news

New publications

Available from IUCN Programme Office for the Commonwealth of Independent States (www.iucn.ru)

- Shmatkov, N., Zosso, G. and Malyavko, E. 2005. *Gifts of Mountain Shoria Forests*. IUCN, Moscow, Russia. (In Russian)

This publication is an information booklet on the Project "Gifts of Mountain Shoria Forests" implemented by IUCN and supported by the DOEN Foundation. The objective of the project is to support and facilitate the participation of Kemerovo Region business people in the International NTFP Fair and Forum in Moscow.

- Shmatkov, N. 2005. *2nd International NTFP Fair and Forum "Gifts of Forest: Culture of Use" Catalogue and Conference Proceedings*. IUCN, Moscow, Russia.

The International Non-Timber Forest Products (NTFP) Fair and Forum in Moscow is a yearly event, organized by IUCN – The World Conservation Union in partnership with the Federal Forestry Agency of Russia, All-Russian Exhibition Center (Culture Pavilion) and Klukovka Company. The NTFP Fair and Forum is supported by the Canadian International Development Agency, the Royal Embassy of Netherlands in Moscow and the DOEN Foundation. The major goal of the NTFP Fair and Forum is to support sustainable development of forest-based communities through helping small businesses based on use of NTFPs to reach out for new markets.



Sturgeon on the brink of extinction

By Alexey Vaisman, Coordinator of TRAFFIC-Russia

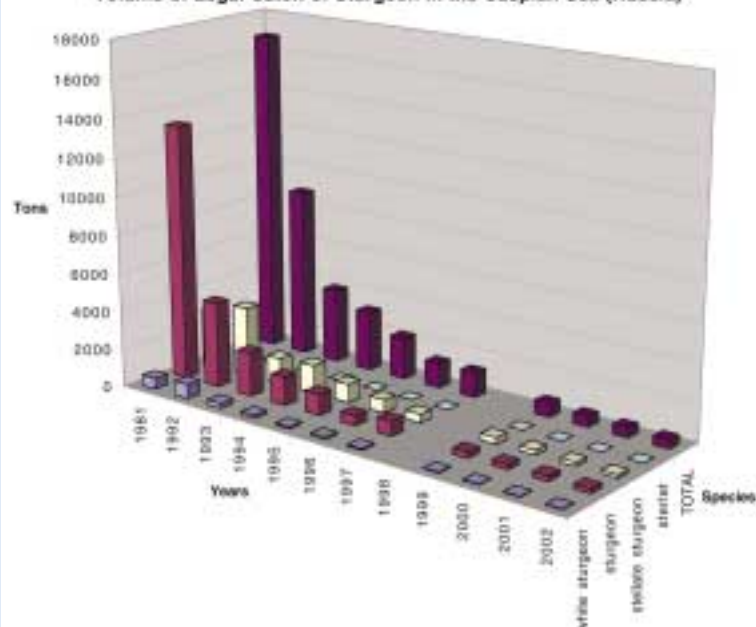
Sturgeon caviar is a status symbol for many Europeans and demand for it has always far exceeded its supply. Prior to the dismantling of the former Soviet Union, the flow of caviar from the Caspian, Azov and Black seas to the West had been strictly managed by the official bodies, which controlled approximately 90% of the world caviar market. When all the barriers were dismantled in the early 1990's, new private companies immersed to export caviar to Western Europe, USA and Japan. The more – the better!

The result of this enormous demand and the potential for high profits, was an illegal catch boom in the Caspian, Azov and Black seas. Due to the breakdown of official structures it was almost impossible to deter illegal fishing as the fishery supervising bodies had next to zero capacity. The West faced an in-flow of illegal caviar which brought enormous profits to stakeholders of this "business". These large sums of money in turn made it possible to establish a well-organized and efficient shadow business. As a result this illegal business has in fact become industrialized.

The nature conservation community, as well as governmental bodies of Western Europe and USA, have begun to show some concern. It should be noted that this understanding has been to a large extent promoted by intensive lobbying activities on the part of major caviar trading companies. These companies have faced considerable losses from their competitors who overloaded the market with relatively cheap products. Urgent measures were taken in this regard by the international community to include the sturgeon species in CITES Annex II.

Illegal hunting however continues to prosper, being in fact restricted only by the productive capacity of communities. An independent estimate by TRAFFIC Europe-Russia and the Caspian Fishery Research Institute concluded that the volume of illegal fishing of sturgeon in the Caspian sea is approximately 12 times higher than the level of legal hunting. In Amur the rate of illegal fishing exceeds legal hunting quotas by 7–9 times. Moreover, in Amur illegal fishing has practically eliminated the entire spawning stock. This conclusion is supported by the fact that all sturgeon species entering Amur for spawning represent fish that are first-time spawns.

Volume of Legal Catch of Sturgeon in the Caspian Sea (Russia)



As a result, in the last decade, sturgeon numbers in all water basins have drastically decreased and continue to fall. The volume of legal fishing directly depends on the numbers of the reproductive portion of the sturgeon community. Looking at the decreased level of legal fishing, one can evaluate the rate at which sturgeon numbers are being reduced in the wild (see below).

- In the Caspian sea, the sturgeon catch in the last two decades has decreased by 38,5 times;
- In the Azov sea, sturgeon stock has lost all commercial value. Currently, the share of mature sturgeon species amounts to 2.3%, while female species are represented in single numbers;
- The catch of Siberian sturgeon on the Ob river, which has been the main source of sturgeon in Siberia, has also fallen drastically. In the last 60 years, the sturgeon catch fell by 122 times, while the nine years from 1985 to 1994 witnessed a seven-fold decrease. As a result in 1997, the Western-Siberian subspecies of the Siberian sturgeon (Ob community) was included in the Red Data Book of the Russian Federation.

According to experts, 1999 was the last year when sturgeon hunting was admissible for biological reasons, though to a limited extent. Currently we are witnessing what had already been predicted by experts from TRAFFIC Europe in 1997 and 2000: population numbers have fallen to an extent where sturgeon catch has become not only inadmissible from a biological point of view but non-profitable as well. We are coming close to a situation when hunting loses its point, i.e. the cost of catch will inevitably result in a price at which caviar will no longer be tradable in economically meaningful volumes.

The following actions are proposed in order to overcome this highly unfavourable situation:

I. Enforcement of actions

- To announce a total ban on the caviar trade and sturgeon meat in the Russian domestic market with only one possible exception, representing output of aquaculture. Unfortunately, it should be emphasised that currently neither law enforcement bodies nor trade inspections are having any degree of control of trade in sturgeon products on the local market whatsoever.
- To declare and legally establish a state monopoly on sturgeon catch, processing and export of output.
- To strengthen penalties imposed against illegal hunters and traders of illegally produced caviar and sturgeon meat, bringing these penalties into accordance with the prices of these products on the world market.

II. Reduction of demand from the domestic market

It is necessary to raise awareness regarding the illegal caviar market.

III. Restoration actions

It is necessary to develop a federal long-term programme for the protection, restoration and sound and sustainable use of sturgeon stocks:

- To establish and support a system of regular monitoring of sturgeon populations in the Volga-Caspian, Azov and Amur basins.
- To develop a long-term programme for the restoration of numbers and reproductive capacity of sturgeon stock and, *inter alia*:
 - To carry out reconstruction of public fish breeding factories in accordance with modern biotechnological requirements;
 - To develop a mechanism that will facilitate the involvement of non-public fish breeding factories and aquaculture enterprises in sturgeon reproduction and young species release into the wild in accordance with the programme developed;
 - To improve the existing or former spawning places in Volga downstream areas.



Caviar tins © WWF-Canon / Emma Duncan

IV. Legislative actions

To intensify the activities related to updating a draft federal law on sturgeon species protection, developed by the State Duma, involving the Government of the Russian Federation.

V. International actions

1. Since re-exporting is the main mechanism for legalizing products of illegal hunting on the international market, it is necessary to launch an initiative within the framework of CITES to limit re-export of caviar and sturgeon meat and to request the Secretariat of the Convention to set up a mechanism requiring companies engaged in re-export to sign long-term contracts with primary producers.
2. To recommend that the Conference of the CITES Parties adopts a decision to the effect that export quotas for black caviar and other sturgeon products from sturgeons caught in the wild should strictly correspond to catch quotas and gonado-somatic indexes that have been scientifically justified and set up by the CITES Committee on Fauna. This decision should be applicable to all countries exporting sturgeon caviar and meat products.

TRAFFIC Russia is an office of TRAFFIC Europe opened in 1995 that monitors markets for live animals and investigates trade in species of particular concern in Russia and the other CIS countries.



From the Field: Science news and updates

In this issue of *From the Field*, we take a look at some of the links between the life history of species, and the conservation and policy measures that can be implemented to preserve them. As the theme of this issue of the newsletter is trade, we look at two important natural resource sectors – agriculture and fisheries. For fisheries we identify further features of a species' life history traits that could be limiting the ability of populations to recover when over-exploited. In agriculture we discuss some of the difficult decisions that will have to be taken when meeting future needs for food security, while also trying to maximize efforts to conserve biodiversity. Finally we look at a study from the UK which could have broad implications for efforts to meet the targets under the Kyoto Protocol.



P.Lengyel



P.Lengyel

Leaving the big ones?

Fisheries are in a state of decline in most parts of the world. To date most fisheries models have considered that individuals within populations are equal. However recent studies have shown that this is not the case, and there are serious implications for the preservation of fisheries and their ability to be restored.

Research has shown that larger and older individuals generally have a higher quality than their smaller counterparts. For example, the larvae of old female black rockfish *Sebastes melanops* have growth rates more than three times as fast, and survive starvation more than twice as long, as larvae from the young females. This is thought to be due to the energy stores that older females are able to provide. Older individuals also have more experience with spawning and can spawn earlier thus extending the length of the season. In total this can lead to an exponential increase in fecundity for large females.

These results have also been identified in other species such as Atlantic Cod *Gadus morhua* and haddock *Melanogrammus aeglefinus*. Furthermore these findings come on top of research showing that catch practices have changed the selection pressures on populations (see this Newsletter, Volume 8) leading to the creation of smaller and younger populations with a lower fecundity. The question remains: What can be done to restore populations when faced with these evolutionary processes? Although it would be possible to impose limitations on the fish caught in recreational fisheries, in the large marine stocks it seems that the proper location of marine protected areas is the only feasible solution.

For further information:

Birkeland, C. and Dayton, P.K. 2005. The importance in fishery management of leaving the big ones. *Trends in Ecology and Evolution* **20(7)**: 356–358.

Berkeley, S.A., Chapman, C. and Sogard, S.M. 2004. Maternal age as a determinant of larval growth and survival in a marine fish *Sebastes melanops*. *Ecology* **85**: 1258–1264.

Sparing land for nature

Agricultural practices provide the single greatest threat to biodiversity through the destruction and modification of habitats and the impacts of chemical inputs. It is estimated that over 50% of natural habitats have been cleared from agriculturally usable land. Even though land-use practices have become increasingly efficient over time, it is also estimated that due to increases in population size, the world's demand for agricultural products will increase by 2–3 times by 2050. This has immense implications for how we conserve biodiversity and work towards sustainable development.

Currently there are two schools of thought concerning the role of agriculture in biodiversity. One states that we should move towards biodiversity-friendly farming practices, i.e. those that are more generally beneficial for nature across landscapes. Such measures include organic agriculture, mosaics of farmed and non-farmed land and lower chemical inputs. This approach is promoted primarily in Europe and probably best suits the evolution of European ecosystems over the past 10,000 years. The second approach is to make farming on existing lands as efficient as possible and in this way reduce the need for agriculture to expand in area, thus sparing other areas that could be left for nature. It is certainly true that biodiversity-friendly farming is a desirable practice, but generally yield efficiency decreases with more such measures. Therefore in most cases compensation measures are required, e.g. the EU's agri-environmental schemes. The case for land-sparing is rarely made among conservationists, but is more prevalent in agricultural or development journals. Furthermore, it is already occurring in a number of developing countries. In terms of meeting the future needs for food security, difficult decisions will have to be made concerning how land is used and nature conserved.

Predictions made by Balmford *et al.* (2005) show that cropland area in developing countries will have to increase by approximately 23% to meet food demands, and that differences in the efficiency of crop yields are going to be almost as important a factor as population growth in determining the amount of land required. Conversely in the developed countries, demand for land is likely to decrease slightly.

In terms of the impacts of different land-use options (biodiversity-friendly or land-sparing), Green *et al.* (2005) developed a series of models that simulated areas of farmed and non-farmed land. The model highlighted the importance of identifying the relationship between the expected yield efficiency of land and the population densities of species. Although current data is very sparse, there are indications that species which have their core areas in unmodified lands are absent from even low-intensity farmland. It is evident that different regions of the world will follow different practices. But it is also clear that more work is urgently needed to identify the relationships between population dynamics of species on farmed and non-farmed land and changes in agricultural practices.

See:

Balmford, A., Green, R.E., and Scharlemann, J.P.W. 2005. Sparing land for nature: exploring the potential impact of changes in agricultural yield on the area needed for crop production. *Global Change Biology* **11**(10): 1594–1605.

Green, R.E., Cornell, S.J., Scharlemann, J.P.W. and Balmford, A. 2005. Farming and the Fate of Wild Nature. *Science* **307**: 550–555.



Soils as stores of carbon

Soils are a major store of carbon, holding approximately twice as much as vegetation or the atmosphere. Therefore changes to the ability of soils to sequester and store carbon will have a major impact on the world's carbon balance and therefore our efforts to meet climate change targets. Between 1978 and 2003 the UK National Soil Inventory measured the distribution and chemistry of top soils (15cm depth) across England and Wales. Samples were originally taken from a total of 5,662 sites and between 1994 and 2003 approximately 40% of these sites were re-sampled.

Bellamy *et al.* (2005) used this inventory to calculate annual rates of change in soil carbon in different soil types, habitats and land-use regimes. They found that soils have been losing carbon at a rate of 0.6% per year (relative to the existing soil carbon content). A strong relationship was found between loss of carbon and the capacity of the soil type to store carbon. Soils that store large amounts of carbon, such as peat soils, are losing it at a much faster rate. However there was no significant relationship found between differences in land use and the rate of carbon loss, indicating that the loss is occurring across the country and land-use types, which points to a over-arching pressure such as climate change.

Putting this rate of loss into terms of quantity, in 1978, based on the survey, top soils in the United Kingdom were estimated to hold 2.5 billion tons on carbon. If the observed rates of change were extrapolated to the entire UK, the total annual loss of carbon from soils is estimated to be 13 million tons a year. This figure can be compared to the UK's annual industrial CO₂ emission which is approximately 150 million tons.

It is much harder to identify what is causing this loss, either reduced sequestration from decomposition or through leaching out via groundwater. This study has shown that losses of carbon from the soil will offset increased absorption by sequestration measures. If these results extend to the rest of the temperate region, it has serious implications for the efforts being made to reach the Kyoto targets.

See:

Bellamy, P.H., Loveland, P.J., Bradley, R.I., Lark, R.M. and Kirk, G.J.D. 2005. Carbon losses from all soils across England and Wales 1978–2003. *Nature* **437**: 245–248.

Agriculture trade policy is hugely influential

Interview with Harry Huyton, Agriculture Policy Office,
RSPB by Janice Weatherley, IUCN ROFE



Harry Huyton

JW: Why are European trade policies important to global biodiversity?

HH: One of the most significant areas of European trade policies for biodiversity is agriculture. Trade policies, which have big impacts on agriculture, have big impacts on global biodiversity.

Policies designed to protect a national or regional market interest, for example, can have negative environmental impacts. This is demonstrated by the damage caused to the European environment by the way in which the EU sugar regime artificially supports the cultivation of sugar where it is environmentally unsuitable and unsustainable.

More often, however, it's the trend towards trade liberalization, which Europe is pursuing through the World Trade Organization, without proper consideration of its impacts on biodiversity or the environment, that is most damaging. Improperly regulated and managed, liberalization of agricultural trade will mean further expansion of agriculture at the expense of natural habitats in situations where the area under production can be increased. Such land-use changes can lead to severe losses in biodiversity. BirdLife has found that the most important threat to Globally Threatened Birds is the conversion of natural habitats to agricultural land. The expansion of palm oil, for example, has contributed significantly to the decline in a range of species from the Crestless Fireback (Vulnerable) in Asia to the Baudó Guan (Endangered) in South America.

JW: Why is global biodiversity important to European trade?

HH: Global biodiversity provides us with vital goods – raw and produced materials which can be traded (such as timber, medicines etc.) – and contributes to essential services including life-sustaining systems such as climate regulation and soil conditioning. Estimates suggest that the annual value of biodiversity worldwide is equivalent to a massive \$20 trillion, all of which lies unvalued and outside the economic system and thus economic decision-making.¹

Biodiversity is critically important for the health and wellbeing of our planet; it allows us to have a functioning global economic system, of which European trade is a part. Biodiversity is also hugely important in its own right, of course, but can only be maintained, however, if it is conserved and, where used, used sustainably.

JW: Will trade liberalization always undermine the environment?

HH: We need to get away from thinking about 'liberalization' versus 'protectionism'. What's really important is the social, environmental and economic outcomes of these trade policies.

Trade and economic policy need to address the failure to price externalities into the market – there are more and more studies pointing to the value of intact forests and wetlands, for example. Studies from Algeria, Italy, Portugal, Syria and Tunisia estimate that the marketed value of timber and fuel wood from a forest is actually worth less than a third of the true, external value of the services they provide – such as watershed protection and recreation to the absorption of pollutants such as greenhouse gases.² Intact tropical mangroves, coastal ecosystems that are nurseries for fish, natural pollution filters and coastal defences are worth around \$1000/ha; cleared for shrimp farms the value falls to about \$200/ha.³

JW: Environmental policies can create obstacles for trade; how do you see this impacting the goals of sustainable development?

HH: The word 'obstacle' is unhelpful in this debate, because it suggests that anything that gets in the way of complete free trade must be a bad thing. Environmental policies are created for a reason – to protect ourselves and the rest of biodiversity from harm, and to contribute to sustainable development.

JW: Which European trade policies are hindering the achievement of the 2010 target to "halt the loss of biodiversity"?

HH: As long as there is no systematic process to establish the impacts of trade policy on biodiversity, both in the EU and globally, this can only be answered generally. Biodiversity is being lost through habitat destruction and degradation, the introduction and spread of invasive alien species, pollution, global climate change, desertification, population growth and unsustainable consumption as well as unsustainable use of natural resources. Many of these issues have their roots in economic development and trade policies that ignore or minimize concerns about the environment.

¹ Balmford *et al.* 2002. Economic Reasons for Conserving Wild Nature. *Science* 297.

² Pagiola, S., von Ritter, K. and Bishop, J. 2004. *Assessing the Economic Value of Ecosystem Conservation*. The World Bank Environment Department: Environment Department Paper 101. World Bank, TNC and IUCN.

³ Millennium Ecosystem Assessment. 2005. *Ecosystems and Human Wellbeing, Opportunities and Challenges for Business and Industry*. Island Press, USA.





Trade policies that thwart the ability of developing countries to develop successfully may also affect the 2010 biodiversity target negatively, most obviously the continued use of perverse subsidies. Technical and financial abilities to respond to biodiversity loss vary greatly among nations and the Earth's most threatened natural ecosystems lie within developing countries, which possess the least resources to conserve them.

JW: What mechanisms are necessary to best integrate trade policies with environment policies?

HH: The European Commission has recently carried out a few Sustainability Impact Assessments (SIAs) and this is a welcome move, which we actively supported. At the moment, though, there is no evidence that they have influenced the policy and negotiation positions being taken by the EU – despite verbal commitment to, and investment in, the studies themselves. In the longer term, there is more hope. There is now a powerful coalition of environmental and social groups that are pushing for the proper consideration of impacts and therefore the design of trade policy to deliver real benefits, including benefits to biodiversity.

There is also a real need to identify and communicate the value of environmental goods and services and then to implement strategies that both capture these values and ensure their sound management.

JW: How do you think we can better harmonize the CBD with the rules of the WTO?

HH: Multilateral environmental agreements should not be seen to be subservient to the rules of the WTO. There is a real need for CBD experts, and experts in other MEAs, to have a voice at the WTO – they

hold the mantle for environment and biodiversity at the international level and can help ensure that trade delivers sustainable development. Ultimately, governments call the shots at the CBD and the WTO – these governments need to ensure full cooperation and coordination, as well as better mutual understanding, between trade and environment officials both at the national and international level, specifically between those attending WTO and MEA negotiations. Through this, positive synergies and areas of mutual support, such as technology transfer and capacity building, which are integral to MEAs, could also be developed. As the WTO is so powerful and has strong financial sanctions available to it, there is also a need to consider ways of strengthening environmental governance, including compliance and dispute settlement mechanisms within MEAs.

Ultimately, a level playing field must be created between the legitimate concerns of both trade and environment, nationally and internationally, and there must be recognition of their interconnectedness. For example, environmental conditions affect productivity, and market incentives shape cultural landscapes.

JW: Please complete the following sentence: "In 2010 I would like European Trade policies ..."

HH: To be part of the solution, not part of the problem, by fostering sustainable development that is good for people, society and the environment. By 2010, they will be built upon full and proper sustainability impact assessments to ensure that they deliver social and environmental gains as well as overall economic prosperity – they will be helping to halt biodiversity loss not contributing to it.

The Royal Society for the Protection of Birds is Europe's largest wildlife conservation organization with over one million members. We are the UK Partner of BirdLife International, a global partnership of conservation organizations, working in more than 100 countries worldwide. The BirdLife Mission is to conserve birds, habitats and global biodiversity, working with people towards sustainability in the use of natural resources.

Through research, policy advocacy and land management, the RSPB works to link national and international policies for sustainability with local concerns in both the North and the South. We have extensive programmes of work in many policy areas including agriculture, trade, economics, climate change, energy, transport, the marine environment and international development.

RSPB became an IUCN member in 1963.



Europe and trade

According to the WTO, merchandise trade of EU-15 in 2004 was US\$4031 billion for exports of which 73.75% were intra-European and 16.74% to Asia and North America, Europe's big trading partners. In the same year, imports in EU-15 were US\$4140 billion, of which 71.6% were intra-European and 17.94% from Asia and North America.

In 2004, EU-15's share in world merchandise trade was 45.3% for exports and 44.8% for imports.

Regarding the products groups, 80.17% of the exports correspond to manufactures, 12.02% to agricultural products and 9.13% to fuels and mining products. As for the imports, 74.97% correspond to manufactures, 12.02% to fuels and mining products and 9.68% to agricultural products. The table on the right specifies the amount of export for the different products in billion US dollars.

The major exporter in EU-15 is Germany, with US\$912.3 billion (22.63% of the total exports), followed by France with US\$448.7 billion and then closely by The Netherlands, Italy, United Kingdom and Belgium. Germany is also the biggest importer, with US\$716.9 billion (17.31% of the total exports), followed by France (US\$465.5 billion) and United Kingdom (US\$463.5 billion). Italy, The Netherlands, Belgium and Spain are also big importers.

The total exports in EU-25 amount to US\$3714.2 billion, of which 2510.4 billion are within EU-25 and 1203.8 with the rest of Europe. Imports have very similar figures, with US\$3791 billion as the total for EU-25, of which 2510.5 are within EU-25 and 1280.5 with the rest of Europe.

For more information, visit the World Trade Organization's website: www.wto.org/

References:

www.wto.org/english/res_e/statis_e/its2005_e/its05_byregion_e.htm#weterneuro

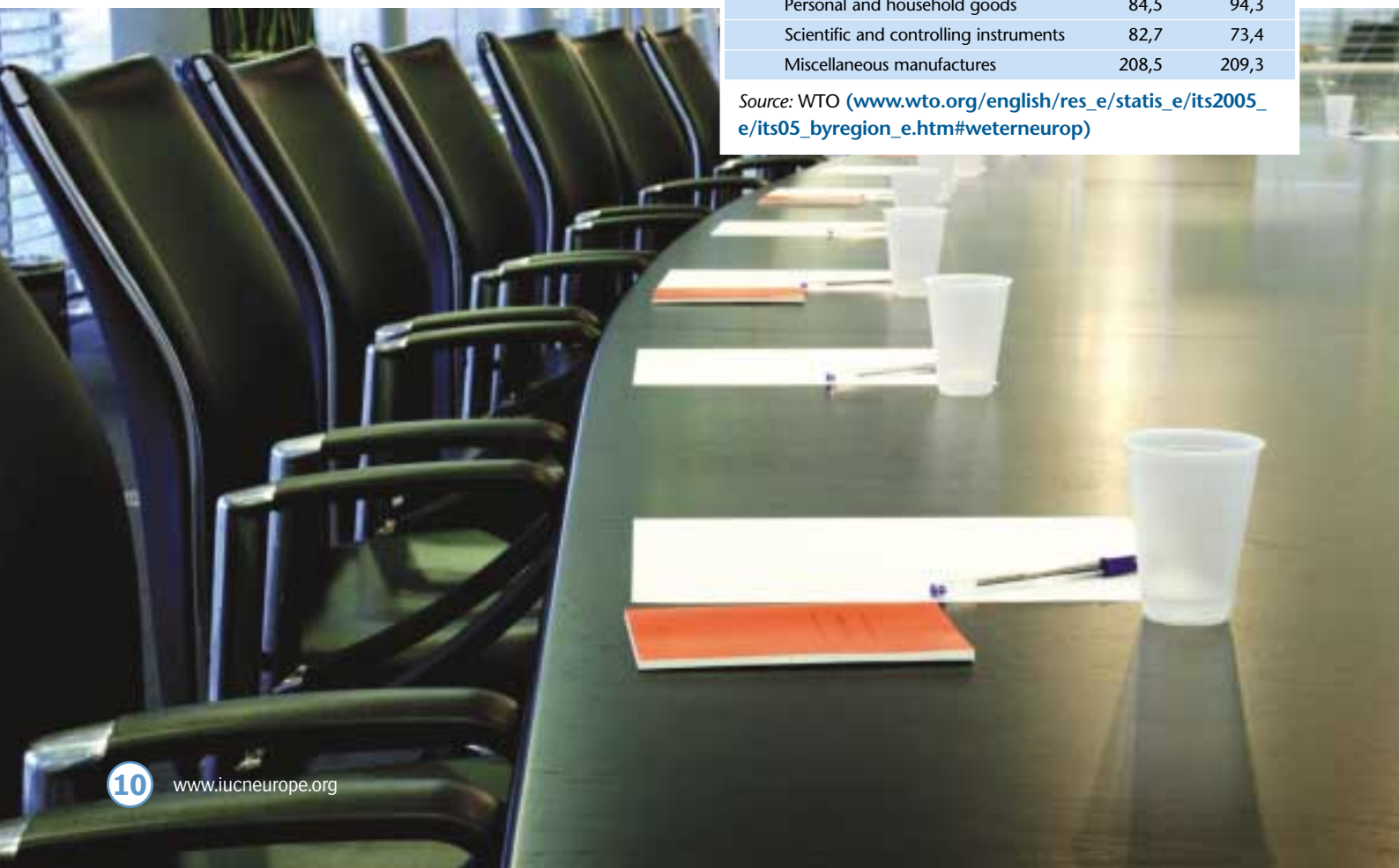
www.wto.org/english/tratop_e/envir_e/envir_e.htm#bulletins

www.wto.org/english/tratop_e/envir_e/mea_database_e.htm

Table 1. Merchandise exports of Europe by product, 2004

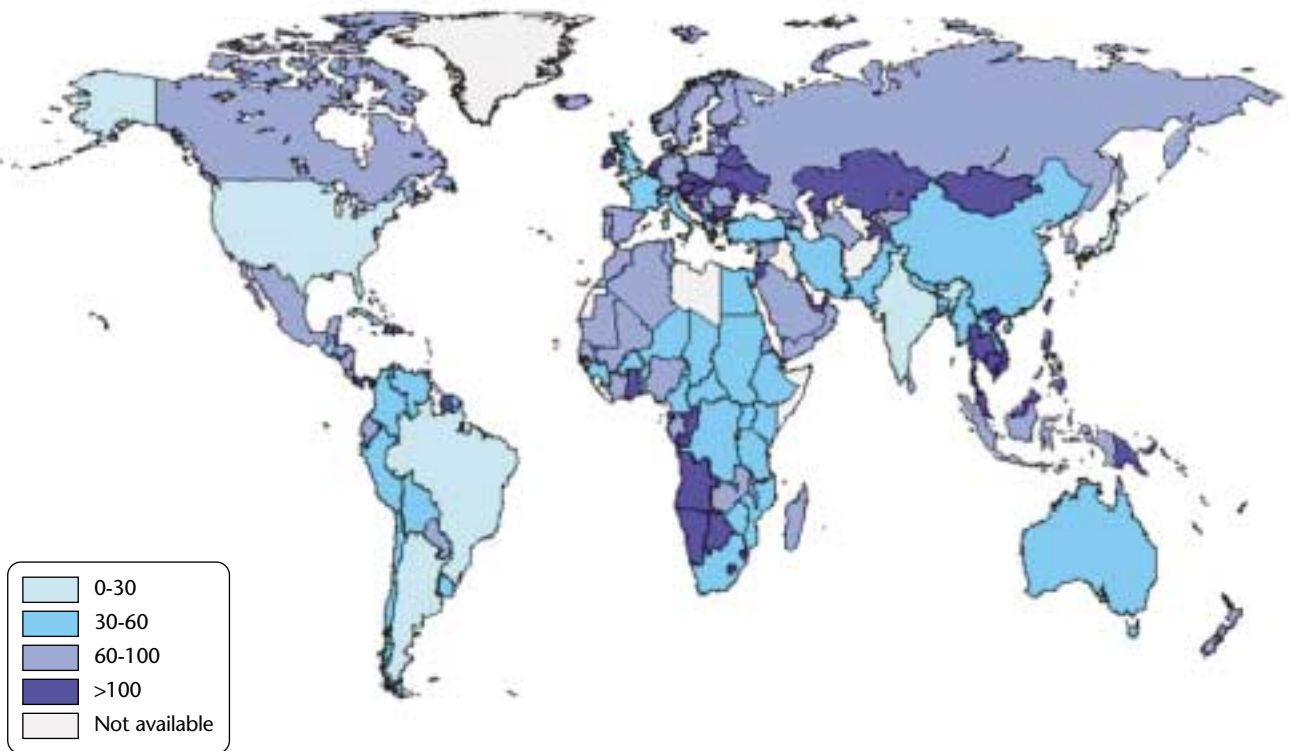
| | VALUE EXPORTS | VALUE IMPORTS |
|--|---------------|---------------|
| Total merchandise exports | 4031,1 | 4139,9 |
| Agricultural products | 367,7 | 401,5 |
| Food 308,3 | 328,6 | |
| Fish | 23,5 | 30,4 |
| Other food products | 284,8 | 298,1 |
| Raw materials | 59,5 | 72,9 |
| Fuels and mining products | 302,9 | 497,7 |
| Ores and other minerals | 34,0 | 55,9 |
| Fuels | 200,3 | 361,9 |
| Non-ferrous metals | 68,6 | 80,0 |
| Manufactures | 3231,7 | 3104,3 |
| Iron and steel | 131,1 | 127,0 |
| Chemicals | 599,1 | 521,4 |
| Pharmaceuticals | 199,9 | 164,1 |
| Other chemicals | 399,2 | 357,3 |
| Other semi-manufactures | 346,6 | 322,6 |
| Machinery and transport equipment | 1602,7 | 1545,1 |
| Office and telecom equipment | 324,4 | 421,4 |
| EDP and office equipment | 131,0 | 189,7 |
| Telecommunications equipment | 132,3 | 159,0 |
| Integrated circuits | 61,1 | 72,7 |
| Transport equipment | 679,0 | 625,3 |
| Automotive products | 481,9 | 428,7 |
| Other transport equipment | 197,1 | 196,5 |
| Other machinery | 599,3 | 498,4 |
| Textiles | 80,7 | 80,7 |
| Clothing | 95,8 | 130,6 |
| Other manufactures | 375,8 | 376,9 |
| Personal and household goods | 84,5 | 94,3 |
| Scientific and controlling instruments | 82,7 | 73,4 |
| Miscellaneous manufactures | 208,5 | 209,3 |

Source: WTO (www.wto.org/english/res_e/statis_e/its2005_e/its05_byregion_e.htm#weterneuro)



Ratio of exports and imports of goods and commercial services to GDP, 2002

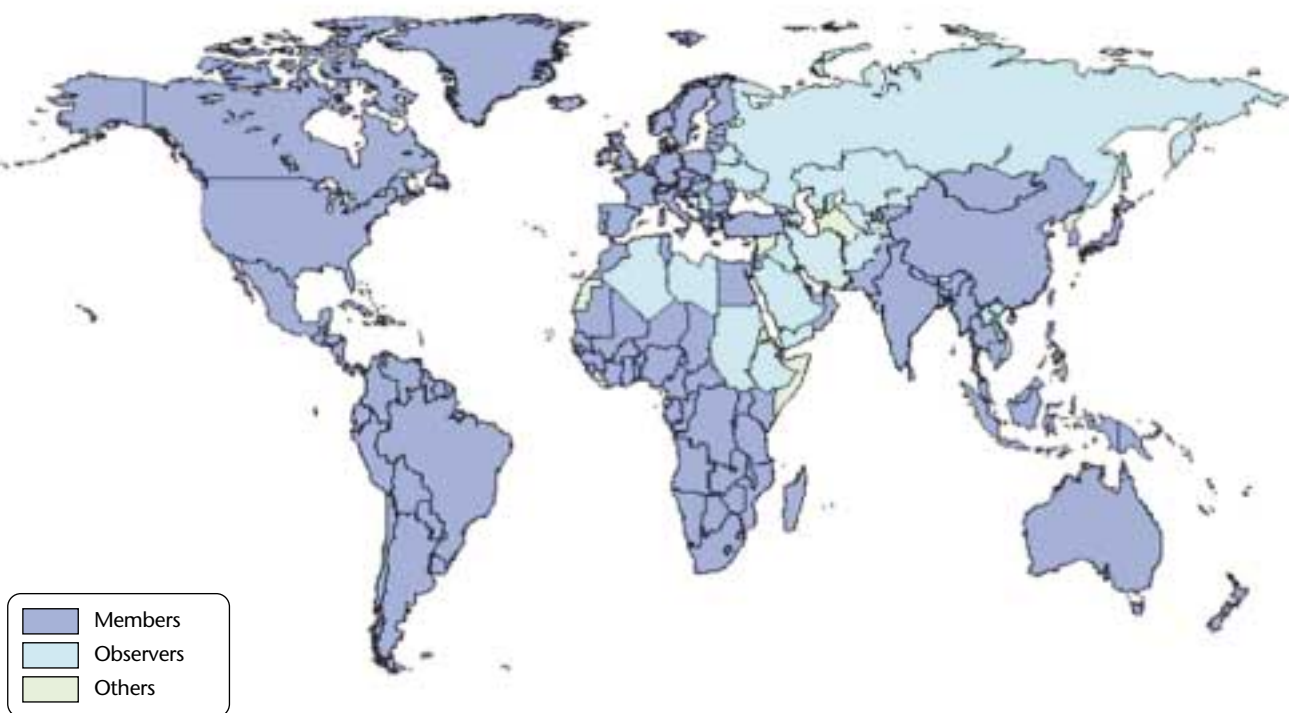
(Percentage based on current dollar values)



Note: Colours and boundaries do not imply any judgement on the part of the WTO as to the legal status or frontier of any territory.

World Trade Organization Members and Observers

(August 2005)



Note: Colours and boundaries do not imply any judgement on the part of the WTO as to the legal status or frontier of any territory.

The European Union and its role in the international trade in wild animals and plants

By Amelie Knapp and Stephanie Theile, TRAFFIC Europe Regional Office, Brussels

“Europe and, in particular, the European Union (EU) is one of the world’s largest and most diverse markets for wildlife and wildlife products that are traded for a variety of purposes including for food, as pets, for decoration, clothing, construction materials, furniture, curios or for medicinal use. Many of the species found in international trade are subject to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).¹ These species include, for example, many bird and reptile species that are often traded live as pets, crocodile skins for the fashion industry, luxury food items such as sturgeon caviar, mahogany logs from South America, picture frames and blinds made of ramin, timber from Southeast Asia or dried plant materials from the Balkan to be used in medicines.”

Based on a recent TRAFFIC analysis* of trade in CITES-listed species, more than six million CITES-listed live birds, 11.5 million reptile skins, 20 million orchids and more than 550t of sturgeon caviar were imported by the 25 EU countries between 1996 and 2003.

All 25 EU Member States are Parties to CITES and the Convention is jointly implemented through the EU’s Wildlife Trade Regulations; Council Regulation (EC) No. 338/97 and related Commission Regulations.²

The use of wild animals and plants for trade can also play an important role in supporting the livelihoods of local communities and benefiting local and national economies, particularly in developing countries. By providing direct and indirect benefits, wildlife use and trade can also help to motivate local people as well as governments to commit to the conservation of wild species and their habitats. However, any use of and trade in wild animals and plants and their products need to be properly managed and trade impacts closely monitored in order to ensure that harvests are kept within sustainable limits and are not damaging the integrity of ecological systems.

Although a great deal of the wildlife trade is legal, a significant portion of the trade is illegal and threatens the survival of species in the wild. Illegal wildlife trade often involves organized criminal structures and smugglers adapt quickly to changing trends and markets. Seizures of wildlife and wildlife products that are subject to CITES are relatively common among law enforcement agencies such as customs and police. For example, in September 2005, customs officers at Zaventem airport in Brussels seized a courier shipment described as a diplomatic pouch containing 35kg of ivory tusks that was en route from the Democratic Republic of the Congo to China. German enforcement officers recently uncovered a case in which 1.4 tonnes of caviar were imported illegally into the EU between December 2003 and January 2005.

EU Member States therefore face many challenges in controlling the illegal wildlife trade and close co-operation and co-ordination at



Ivory seizure ©GAD Zaventem Belgique

national level and EU level are vital in this regard. To help address this challenge, TRAFFIC in collaboration with the Belgian Government developed EU-TWIX, an access-secured, online database on reported illegal wildlife trade in the EU. It is designed to help law enforcement officers from all 25 EU Member States to share information and exchange expertise on illegal wildlife trade (see www.traffic.org/25/network4/eu.html).

In October this year, the UK Department for the Environment, Food and Rural Affairs, in collaboration with TRAFFIC, organized the EU Wildlife Trade Law Enforcement Co-ordination Workshop, held in London. It was attended by over 130 enforcement officials from all 25 EU Member States, the European Commission, CITES Secretariat and Interpol. The meeting concluded with the agreement of a range of priority measures and called for the development and adoption of an Action Plan for EU Wildlife Trade Enforcement. Hopefully, this will lead to measures that will enhance enforcement effort and collaboration within this crucial wildlife market to strengthen co-operation and action to tackle illegal trade in wild animals and plants into and within the European Union.

TRAFFIC, the wildlife trade monitoring network works to ensure that wildlife trade is not a threat to the conservation of nature. TRAFFIC is a joint programme of IUCN and WWF and carries out its work through a network of eight regional programmes co-ordinated by its international headquarters in Cambridge, UK. In Europe, TRAFFIC operates through a Regional Office in Brussels and additional staff in France, Germany, Hungary, Italy, Russia and Sweden. To find out more about wildlife trade and the work of TRAFFIC visit www.traffic.org

* Theile, S., Steiner, A. and Kecse-Nagy, K. 2004. *Expanding borders: New challenges for the enforcement of wildlife trade controls in the enlarged European Union*. TRAFFIC Europe report, April 2004.

¹ CITES entered into force in 1975 and currently has 169 Parties. CITES regulates international trade in live and dead specimens of animal and plant species, including their parts and derivatives, based on a system of permits which can be issued only when certain conditions are met. Roughly 5 000 species of animals and 28 000 species of plants are listed in the three Appendices of CITES, which accord varying degrees of protection to the species, according to how threatened they are by international trade.

² For more information on the EU Wildlife Trade Regulations visit www.eu-wildlifetrade.org

Trade liberalization can be good for the Environment

Interview with Mark Halle, Security, Trade, Knowledge Networks, Director and European Representative, International Institute for Sustainable Development (IISD), by Sebastian Winkler (IUCN ROfe, Countdown 2010)



Mark Halle

SW: Why are European trade policies important to global biodiversity?

MH: Together with the US, Europe accounts for a massive proportion of world trade. Further, it holds the key to the economic prospects of a large part of the developing world by determining the conditions under which trade goods and services can enter the European market. Finally, Europe's privileged relationship with its former colonies in Africa, the Caribbean and the Pacific shape the trade patterns of these countries. Cumulatively, by influencing the patterns of economic development in large parts of the world, European trade policy has a deep and not terribly positive impact on biodiversity worldwide.

SW: Why is global biodiversity important to European trade?

MH: First, there is the trade in natural products, growing ever more important as the European consumer begins to insist on environmentally favourable goods and the products of organic agriculture. Further, the state of biodiversity in the countries with which Europe trades is closely linked to their overall social and economic health. Europe's interest lies in having resilient trading partners and therefore in the maintenance of a diverse environment and resource base.

SW: Will trade liberalization always undermine the environment?

MH: No. Trade liberalization can be good for the environment. Competition in the marketplace can provide a strong motivation to use resources more efficiently, to upgrade technology and to meet the growing consumer demand for green products. Anyone who doubts this should examine the performance of protected industries in many parts of the world.

SW: Environmental policies can create obstacles for trade; how do you see this impacting the goals of sustainable development?

MH: It is essential to distinguish between environmental policies based on strong public demand and on objective scientific criteria, and those that have an essentially protectionist purpose. It is important that environmental objectives not be pursued in ways that constitute an unfair barrier to legitimate trade from other countries. It is also

imperative that, if the European countries wish their trade partners to respect European environmental standards, they should assist them both in building the capacity to incorporate them into their production, but also to simplify the bewildering array of public and private standards that confront the importer and that constitute an effective barrier to the entry of their products.

SW: Which European trade policies are hindering the achievement of the 2010 target to "halt the loss of biodiversity"?

MH: European agricultural policy is the prime culprit, not so much because of its impact on European biodiversity (the CAP is a major source of conservation funding) but because of the effect it has on the economies of developing countries. If Europe were serious about the Millennium goals, it would provide for a far more competitive market for global agricultural trade.

SW: What mechanisms are necessary to best integrate trade policies with environment policies?

MH: The key is to determine the ultimate goal that the two bodies of policy are to serve. Both then should be adapted so as to serve those goals to the greatest possible extent. It will be essential to get beyond the stage at which trade policy has priority because it serves the commercial interest of those with political power, and environmental policy lags behind because it serves interests manifest beyond the limitation of electoral cycles.

SW: How do you think we can better harmonize the CBD with the rules of the WTO?

MH: There are not so many areas where the two sets of rules clash. In these areas – the protection of community-held or traditional knowledge or adopting strong measures to deal with the risks posed by Living Modified Organisms – it is important that the trade community accept that the legitimate objectives set out in the CBD can be implemented with minimal distortion to trade, just as it is important that legitimate biodiversity objectives be implemented in ways that are the least trade-distorting possible.

SW: Please complete the following sentence: "In 2010 I would like European Trade policies ..."

MH: To be so crafted as to support the overall goal of sustainable development in an optimal fashion.

IISD's mission is to champion innovation, enabling societies to live sustainably. The International Institute for Sustainable Development contributes to sustainable development by advancing policy recommendations on international trade and investment, economic policy, climate change, measurement and assessment, and natural resources management. By using Internet communications, we report on international negotiations and broker knowledge gained through collaborative projects with global partners, resulting in more rigorous research, capacity building in developing countries and better dialogue between North and South.

IISD became an IUCN member in 1997.



Biodiversity is for people

Interview with **Stephane Ringuet**, TRAFFIC Programme Officer, WWF France,
by **Jean-Claude Jacques**, IUCN ROfe



Stephane Ringuet



JCJ: Why are European trade policies important to global biodiversity?

SR: Sectoral policies (agriculture, fisheries, transport, energy etc), or policies focused on land planning, can negatively impact biodiversity by contributing to the loss of plant and animal species, populations, ecosystems, landscapes and/or the dysfunction of these functional units.

EU policies, particularly through directives and regulations, provide guidelines and a framework for trade and free-market activities both within the Community and with other countries. They can therefore limit the direct impact of unrestricted trade on natural resources.

JCJ: Why is global biodiversity important to European trade?

SR: Products for food, clothing, construction, pharmaceuticals etc, are mostly derived from "biodiversity". The latter provides countless goods and services "for free": clean air, drinking water, fertile soils, ... , beautiful landscapes. The global "merchandization" trend and the primacy given to the economy over social and environmental issues blinds us to the fact that biodiversity (and the use made of it) is the very basis of development for our societies.

JCJ: Will trade liberalization always undermine the environment?

SR: Trade liberalization may affect the environment by focusing solely on direct (and short-term) costs and not taking into consideration the overall costs (such as social costs, environmental costs etc). Human activity has seldom adapted its needs to natural cycles, availability or possibility of natural resource regeneration/renewal. Full trade liberalization, without a regulatory framework to stop the environment being unsustainably exploited for trade purposes, can only lead to depletion of our natural resources and the impoverishment of human communities that depend on them.

JCJ: Environmental policies can create obstacles for trade; how do you see this impacting the goals of sustainable development?

SR: Biodiversity constitutes a vital resource for humanity and without it the Millennium Development Goals cannot be achieved. While environmental policies may be a constraint on unbridled trade, they do establish the "rules of the game" in order to foster sustainable

development. For example, it seems justifiable for environmental policies to try to regulate the export of products that may threaten the environment (or consumer health) in the importing country. Nevertheless, restrictions resulting from such environmental laws may be deemed excessive, particularly by developing countries, as they may jeopardise a number of trade activities and thus affect the economy of the countries concerned.

JCJ: Which European trade policies are hindering the achievement of the 2010 target to "halt the loss of biodiversity"?

SR: Whichever the sector you look at, our trade policies only serve to increase our ecological footprint, be it in, for example, the energy sector, where fossil fuels are given preference over renewable energies, or in agriculture. This has major impacts on biodiversity, not only qualitatively (water pollution, soil erosion etc), but also quantitatively (extinction of wildlife species etc) in the European Union and elsewhere. The loss of biodiversity and the subsequent degradation of the "ecosystem services" undermine efforts to eradicate poverty, combat hunger, and provide quality water and a healthy environment.

JCJ: What mechanisms are necessary to best integrate trade policies with environment policies?

SR: Trade policies must take into consideration trade sustainability and the impact of trade on natural resources and overall biodiversity. Such assessments are critical in order to analyse potential negative impacts of trade rules on the environment, development, local community living conditions, etc, and to adjust existing trade agreements. The scientific basis of decision-making ought to be strengthened (expert opinion on non-harmful trade, given by an independent, recognised scientific authority).

Furthermore, eco-certification (FSC, MSC etc), compensation for damage (site restoration etc), quota systems, monitoring and control, economic incentives for environmentally friendly initiatives etc, should be encouraged so that environmental, social and economic issues are all equally taken into account.





JCJ: How do you think we can better harmonize the CBD with the rules of the WTO?

SR: The WTO and the CBD must tackle several issues, especially agricultural subsidies, invasive species and a fair and equitable international benefit-sharing system, concerning benefits resulting from the use of genetic resources (patentability of living resources, access to genetic resources etc).

To ensure improved mainstreaming of biodiversity issues, the WTO should recognise the right of the CBD Secretariat and of other multilateral environmental agreements (MEAs) to have full observer status at its various committee meetings, and MEAs should be recognised as the main bodies having the authority to assess the appropriateness of environment-related trade policies.

JCJ: Please complete the following sentence: "In 2010 I would like European trade policies..."

SR: ... to be consistent, both internally (environmental issues mainstreamed into all other Union policies, including trade policy), and externally (so as, in particular, to avoid any negative effects of European policies or to generate positive impacts outside the Union itself), in order to minimize the ecological footprint and ensure the

sustainability of ecosystem biological capacity, not only in Europe, but also in developing countries. This requires a proactive approach in order to eliminate unsustainable international trade (on the basis of Principles 8 and 9 of the Rio Declaration), check the legal acquisition of natural resources in source countries, take steps to enhance international trade transparency, effectively supervise trade, rigorously enforce regulatory provisions, and actively support developing countries in the sustainable use of their natural resources.

WWF-FRANCE

Established in 1973, WWF-France plays a key role in public awareness of the need to protect our natural environment. WWF-France, recognised as a state-approved NGO, was established within the framework of France's 1901 Associations (non-profit making NGOs) Act. It has an Executive Board comprising scientific experts and private sector managers, all volunteers, which defines WWF-France's strategy and manages its activities. A scientific steering committee provides guidelines for action and supports WWF's conservation activities.

WWF-France has some fifty staff members (conservation, development, communication, administration), 100,000 donor members, who support the organization via their membership fees, donations and purchases, and hundreds of volunteers who are involved in conservation programmes and contribute to the smooth running of operations.

WWF-France has thus been committed to nature conservation for thirty years. France, with its Overseas Territories, has a major responsibility in terms of protecting the planet's biodiversity. Aware of this responsibility, WWF-France works mainly in six priority fields: forests, fresh water, oceans and coastal areas, species, climate change and overseas issues, not to mention its many cross-cutting initiatives.

WWF-France has been a member of IUCN since 1984.



Tracking trade flows and the sustainability dialogue with industry

By Carl Konigel, Henk Hartogh, Erik van Zadelhoff and Mathew Parr, IUCN National Committee for the Netherlands

If you've eaten meat in the last few days, it was more than likely not raised on European grass or grain, but on South American soy. Demand to produce soy for the European meat industry is one of the driving forces behind deforestation in the Amazon. Every year, 1.5 to 2 million hectares of tropical forests and grasslands disappear due to the cultivation of soy (equivalent to half the total area of the Netherlands). A large part of the soy produced in South America for export goes to Europe, and 90% of this is destined for animal fodder. Europe imports around 33 mil MT of soy annually from South America, requiring roughly 12.75 million ha of land.

The European Union, the world's largest economy, is heavily reliant on the import of commodities from abroad. In financial terms Europe's trade is roughly neutral, but in physical terms there is a large import surplus. Through its import, Europe has a very considerable impact on biodiversity worldwide, as the example of soy shows. One of the ways to measure Europe's impact is by calculating the area of land that is needed to provide the goods and services of an average European citizen, popularly known as the footprint of that citizen (see Box 1).

Box 1. Methodology of Ecological Footprint calculation

The EF methodology was first proposed in 1994 in Canada by William Rees and Mathis Wackernagel. The range of environmental effects covered, and the precise methodology used, have evolved over the years and vary from study to study. Common in most studies is that they present data on the area that is required to meet the current consumption needs of a population from sustainable sources. It calculates the area of land and sea that can deliver these services and goods based on world average yield. In general, two approaches are taken, the component-based approach and the compound approach.

In the component-based approach, the amounts of transport, food, energy, waste disposal and water consumed are listed. These are converted into an equivalent area of land using coefficients found in literature.

The compound approach is applied to entire countries. The amounts of energy and goods consumed by the citizens are derived from national statistics. To do this, exports are subtracted from imports and added to the domestic production. Standard conversion factors are used to calculate the footprint from the arising food and material consumption of the concerning country. WWF's Living Planet report is an example of this approach.

A high proportion of the ecological footprint in both approaches arises from the consumption of fossil fuel energy needed for providing the goods and services. Pollution is not taken into account.

Further reading: 'Ecological footprinting', *Scientific and Technological Options Assessment, European Parliament, PE nr 297.571*.

If one compares this with the available area to deliver these goods and services, it is clear that Europe can only carry half the footprint of its own citizens and that this trend is on the rise. See Figure 1.

In addition to calculating Europe's footprint, it is also possible to visualize Europe's impact by mapping trade flows, as is done on the *Europe and the World Ecology (EWE)* map (see insert or visit www.nciucn.nl). The EWE map was produced by IUCN NL in 2004

and clarifies the impact of the production of soy and other commodities for the European market on ecosystems in the countries of origin.¹

Raise awareness and then?

Raising awareness is the first step in the process of change towards sustainability. The next step is to offer solutions. A number of recent studies indicate that a change towards actual sustainability is possible (Figure 2).

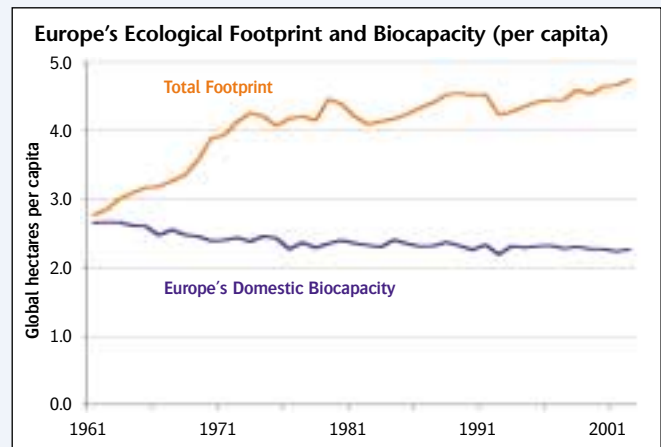


Figure 1. EU-25's Ecological Footprint and biocapacity per person, 1961–2001. Source: EEA.

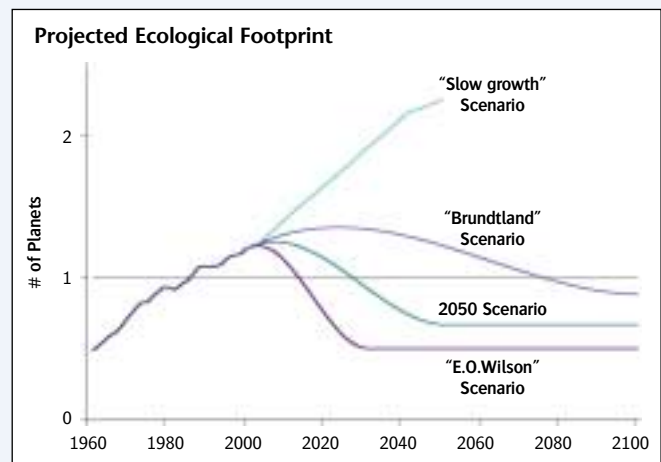


Figure 2. Four possible tracks for the future:

1. Slow growth or business as usual, a scenario based on conservative extrapolations by the United Nations
2. Brundtland, a scenario based on recommendations by the Brundtland Commission (88% reduction of the footprint)
3. 2050, a scenario for reduction of the footprint to 2/3 planets by mid-century (Global Footprint Network)
4. E.O. Wilson, a scenario for reduction of the footprint to 50% of the available biocapacity, leaving the other 50% to nature.

Source: EEA.

¹ The EWE map was incorporated in the recent WWF brochure "Europe 2005, The Ecological Footprint" (Living Planet Report). It was also used in a recent analysis of Europe's global impact on the environment by a group of international experts under the auspices of the European Environmental Agency in Copenhagen, entitled "Europeans need 2.1 Europes - how the planet and the world's largest economy interact".

IUCN NL believes that a direct interaction between governments, NGOs and the private sector is the most suitable way to bring about major changes towards sustainability and a reduction of the ecological footprint. This means IUCN NL is particularly focussing on the awareness and responsibilities of companies, as well as the responsibilities of governments that control and influence these sectors by trade regulations, subsidies and investment guarantees.

This approach has proven to be quite constructive in the case of Dutch soy processing industry. The Netherlands could, as Europe's largest soy importer, play an important role in enhancing the sustainability of the soy chain. For that reason, IUCN NL is an active member of the Netherlands Soy Coalition, a platform of 10 NGOs which collaborate closely to strengthen the sustainability of the soy chain. The Coalition was one of the key players in the first International Round Table on Soy, and at a recent Soy seminar of European NGOs.

IUCN NL coordinates, on behalf of the Coalition, the dialogue with the Dutch soy processing industry. It is considered as a big achievement in itself to have all parties at the table, discussing the possible steps and instruments. The aim is to persuade companies to introduce more innovative and sustainable production methods with better management of ecosystems. The formulation of sustainability criteria and certification schemes play an important role in this dialogue.²

The soy chain is only one of the sectors of concern. IUCN NL is also involved in dialogues with other sectors of industry that have large negative impacts on biodiversity worldwide, like fisheries and the trade in tropical shrimp. For further information, visit:

www.nciucn.nl/nederlands/programmas/neth_world_ecology/ewe/fsewe.htm

www.footprintnetwork.org

www.eea.eu.int (European Environment Agency)

www.bothends.org (Secretariat of Dutch Soy Coalition)

IUCN NL

IUCN National Committee of the Netherlands (IUCN NL) was founded in 1979 to unite the Dutch members of IUCN. IUCN NL has 33 member organizations, including the Dutch Society for the Preservation of Nature (Natuurmonumenten), the Dutch Society for the Preservation of the Waddensea (Waddenvereniging), Wereld Natuur Fonds (WWF-NL) and the Association for Environmental Education (IVN). The Dutch National Committee operates as a platform and sounding board for the Dutch IUCN members and the IUCN commissions. It executes various projects and programmes like 'The Netherlands and the World Ecology'. This programme has published a wide range of books and maps on the various trade flows to the Netherlands and their connection to ecosystems worldwide. Apart from these programmes, the committee administers ecosystem-based small grants programmes on tropical forests and wetlands. The grants are used to support nature conservation organizations in developing countries, with financial help from the National Postcode Lottery, the Dutch government and other donors.

² Soy trade references: Various studies and publications: Jan Maarten Dros (Aid Environment) and Jan Willem van Gelder (Profundo) for Soy Coalition.

Voluntary Partnership Agreements: More than salving Europe's conscience

By Stewart Maginnis, Head, Forest Conservation Programme, IUCN – The World Conservation Union and Guido Broekhoven, Team Leader, "Strengthening voices for better choices" Project, Regional Forest Programme for Asia, IUCN Regional Office for Asia

Many believe that the EU Action Plan ought to be implemented through a stronger European legal instrument that bans the import of illegal timber and obliges producers to demonstrate legality. On the face of it this may appear a more robust option but when one looks closer, it comes with its own set of problems, above and beyond the often-cited issue of WTO compatibility. Such an EU legal instrument will only impact on a small proportion of illegally harvested timber and will do little to affect the supply to non-discerning and domestic markets. Moreover, in order to be workable, it will require a one-size-fits-all definition of legality, focused on the enforcement of existing laws. This could potentially deny producer-country civil society the opportunity to work with industry and government on reform of those elements of domestic legislation that reinforce archaic and inequitable concession allocation procedures and which criminalize the livelihood activities of the rural poor. One of the great prizes that FLEGT holds out – advancing the social justice agenda as it relates to the 84% of forest land that is publicly owned and administered – could be set back.

Notwithstanding legitimate concerns about the efficacy of voluntary instruments, we believe that Voluntary Partnership Agreements (VPAs) need to be given a chance to succeed as part of the package of measures included in the EU Action Plan and that there are a number of cases where soft law has been more effective than hard law in ensuring compliance. Some of the potential strengths of the VPAs are that:

- they are enforceable bilateral agreements between partner countries;
- they are country-specific which increases the likelihood of national stakeholder buy-in;
- the licensing systems which are a key component of VPAs have the potential to apply to all timber harvested – not just for export to discerning international markets;¹
- they avoid the risk of international trade disputes which could ultimately hold-up the implementation of action on illegal logging;
- their credibility depends on ensuring multi-stakeholder participation.

Ultimately, forest governance is a societal responsibility. It is important to ensure that producer-country civil society is not denied the opportunity to help shape governance-related issues in their own countries. Therefore, whatever the final modality of the EU's response to curbing the import of illegal timber, it will be critical to ensure it supports broader domestic efforts in producer countries to enhance equitable governance arrangements and move toward long-term sustainable production.



¹ Expanding licensing systems to include trade outside of the EU is necessary since 5–7% of globally harvested timber enters export markets and only a proportion of that goes directly or via re-export to Europe.



EU action on illegal logging: Is it enough?

By Sébastien Rizzo, EU Policy Officer – Forest & Trade, Greenpeace International (EU Unit)

Illegal logging is having a devastating impact on the world's forests. Its effects are global and include deforestation, the loss of biodiversity and climate change. Illegal logging creates social conflict with indigenous and local populations and leads to violence, crime and human rights abuses.

Documented uses for revenue from illegal logging activities include civil wars, organized crime and money laundering, threatening international security. Weak governance and corruption in timber-producing countries is a key component driving illegal logging. The World Bank estimates that illegal logging costs timber producing countries between US\$10–15 billion per year in lost revenue.¹

The European Union (EU) play a key role in fuelling the international demand for cheap timber products from illegal and destructive logging. These products end up on construction sites and are sold in stores across Europe, with governments turning a blind eye to their origin.

For example, in October alone Greenpeace investigations exposed trails of rainforest timber and wood products to the EU supplied by companies known to be actively involved in illegal logging activities: from the Congo Basin to Italy, from Papua New Guinea via China to the UK, and from the Brazilian Amazon to Spain, where it has been used in the renovation of the Queen Sofia Museum in Madrid.²

Following mounting international pressure and in recognition of their responsibility as a major timber consumer, the European Commission published the EU Forest Law Enforcement, Governance and Trade (EU FLEGT) Action Plan³ in 2003. The core of the 2003 EU Action Plan is to develop voluntary bilateral and regional partnership agreements between the EU and wood-producing countries.⁴ These “voluntary

partnership agreements” (VPAs) are aimed at helping signatory countries improve their governance and forest management as well as implementing a licensing system to ensure that they only export legal timber to Europe. The meeting of the Agriculture Council from 24–25 October 2005 in Luxembourg saw the formalization of these measures in an EU Regulation that paves the way for the development of a licensing scheme to guarantee the legality of timber imports entering the European Community, as well as enabling the start of negotiations of the VPAs. These are expected to begin next year.

Greenpeace has repeatedly drawn attention to the loopholes,⁵ including the fact that the partnership agreements are purely voluntary and give no guarantee that all producer countries will participate. Furthermore, in the past they have proved to be clearly insufficient to ensure compliance by all parties involved. Under the current scheme, illegal timber can still be exported from partner countries via third countries (such as China) for processing and enter the EU as ‘laundered’ timber. It applies only to a limited range of timber products, and it will be built on existing private licensing schemes, which have been criticised for being weak, corrupt and ineffective. The scheme also fails to include clear steps towards sustainability. Without meaningful participation of civil society during the negotiations, as well as strong social and environmental provisions, FLEGT could end up legalizing forest destruction, instead of promoting sustainable timber trade and consumption.

In order to fill the gaps in the voluntary approach, Greenpeace believes the European Commission must introduce comprehensive legislation to criminalize the import of illegal timber products into Europe and to promote environmentally and socially responsible forest management worldwide.

Currently, the import of illegal timber products is not recognised as a crime under EU law. Importers and traders of illegal timber and timber products in Europe are free to profit from forest destruction. This distorts the market and is a disincentive for companies to act responsibly.⁶

The European Union must take responsibility and adopt effective legally-binding measures to guarantee sustainable trade and consumption. The import of illegal timber products should be immediately prohibited under EU law and companies should be held accountable for what they buy and sell on the EU market.

In 2005, over 180 NGOs, 70 progressive EU companies and the European Parliament⁷ have called on the Commission to introduce legislation for fair competition and sustainable markets.



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¹ The World Bank Group, A Revised Forest Strategy for the World Bank Group, 31 October 2002 p. 1 [http://lnweb18.worldbank.org/ESSD/essdext.nsf/14DocByUnid/403A34FDD7B9E84A85256BD00077D91B/\\$FILE/FSSPFinal1Nov02.pdf](http://lnweb18.worldbank.org/ESSD/essdext.nsf/14DocByUnid/403A34FDD7B9E84A85256BD00077D91B/$FILE/FSSPFinal1Nov02.pdf)

² [4] For more information on the Italian Greenpeace report, please visit www.greenpeace.org/international/press/releases/action-on-illegal-logging-ital. For more information on the UK Greenpeace report, please visit: www.saveordelete.com. For more information on the Spanish Greenpeace report, please visit: www.greenpeace.org/international/press/releases/museum-built-from-amazon-destro

³ FLEGT (Forest Law Enforcement, Governance and Trade) – Proposal for an EU Action Plan, 21/05/2003 : http://europa.eu.int/eurllex/en/com/cnc/2003/com2003_0251en01.pdf

⁴ Read Greenpeace, FERN, WWF report: Facing Reality: how to stop the import of illegal timber into the EU, For comments on the European FLEGT Action Plan and recommendations on how the EU can tackle illegal and destructive logging and its associated trade, available at: <http://eu.greenpeace.org/downloads/forests/FLEGTreport.pdf>

⁵ See the new Greenpeace factsheet: Lawless: How Europe's borders remain open to trade in illegal timber, www.greenpeace.org/international/press/reports/lawless-illegal-timber

⁶ To illustrate how such legislation could work, Greenpeace, FERN and WWF published a model legislation in November 2004, available at: <http://eu.greenpeace.org/downloads/forests/RegulationNGO.pdf>

⁷ An NGO statement is available at: www.eu.greenpeace.org/downloads/forests/NGOstatement.pdf

An industry statement is available at: www.eu.greenpeace.org/downloads/forests/IndustryStatement.pdf
European Parliament Motion for a Resolution to speed up the implementation of the Forest Law Enforcement, Governance and Trade (FLEGT) EU action plan – B6-0412/2005.

IUCN Calendar of Events January–March 2006

The meetings listed below are events organised or sponsored by IUCN, or in which IUCN is participating.

January

- 4–7** **Cairo, Egypt**
First international conference on environmental change in lakes, lagoons and wetlands of the southern Mediterranean region
www.geog.ucl.ac.uk/melmarina/ecollaw2006/
- 16–20** **Geneva, Switzerland**
4th Session of the United Nations Conference for the Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1994
www.itto.or.jp
- 23–25** **Granada, Spain**
Ad Hoc Open-ended Intersessional Working Group on Article 8(j) and related provisions of the Convention on Biological Diversity
Article 8(j): Traditional Knowledge, Innovations and Practices
www.biodiv.org
- 23–26** **Leipzig, Germany**
International Conference on Management of Conflicts between wildlife and human resource use
<http://biodiversity-chm.eea.eu.int/events/EVENT1123666413>
- 23–26** **Paris, France**
Third global conference on oceans, coasts and islands
www.globaloceans.org/
- 29–2 Feb** **Boulogne, France**
Third international meeting: acting together for the future of the blue planet
www.worldoceanetwork.org/

February

- 6–8** **Dubai, United Arab Emirates**
Second meeting of the Compliance Committee under the Cartagena Protocol on Biosafety
- 7–9** **Dubai, United Arab Emirates**
Ninth Special session of the Governing Council/Global Ministerial Environment Forum (GCSS-IX/GMEF)
www.unep.org
- 13–15** **Den Haag, the Netherlands**
Meeting of Chairs of officially recognised IUCN Regional/National Committees
www.iucn.org/members/
- 17–18** **Tramelan, Switzerland**
Conference on social acceptance of renewable energy innovation
E-mail: maryjean.burer@unisg.ch
- 20–24** **Montreal, Canada**
Second meeting of the open-ended ad hoc working group on liability and redress in the context of the Biosafety Protocol
www.biodiv.org/meetings/
- 22–24** **Barcelona, Spain**
Protected Forest Areas in Europe – Analysis and Harmonization
E-mail: Gloria.Dominguez@ctfc.es
- 28–2 Mar** **Copenhagen, Denmark**
Carbon market insights 2006 event
www.pointcarbon.com/wimages/CMI_2006_Overview.pdf

March

- 13–31** **Curitiba, Brazil**
CBD COP-8 and Biosafety COP/MOP-3
www.biodiv.org/meetings/default.aspx
- 16–22** **Mexico City, Mexico**
4th World Water Forum
www.eea.eu.int/Events/Event_20050824110116
- 29–31** **Vancouver, Canada**
GLOBE 2006
www.eea.eu.int/Events/Event_20050625004314



Useful event calendar links:

- Agenda of the EU institutions
<http://europa.eu.int/news/cal-en.htm>
- European Centre for Nature Conservation (ECNC)
www.ecnc.nl/doc/ecnc/calendar.html
- European Environment Agency (EEA)
www.eea.eu.int/Events/Calendar
- International Institute of Sustainable Development (IISD)
www.sdgateway.net/events/default.asp?month=2
- Sustainable Fisheries Foundation
www.sff.bc.ca/Events.html
- United Nations Environment Programme (UNEP)
www.unep.org/Calendar/
- United Nations Forum on Forests
www.un.org/esa/forests/calendar.html
- World Bank
<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,menuPK:34482~pagePK:34380~piPK:34428,00.html>

IUCN's vision

A just world that values and conserves nature



European Programme area

IUCN's mission

To influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

ROfE's mission

To foster and fortify a European network of excellence in environmental research, policy and best practice, with the aim to:

1. Contribute to IUCN's global mission
2. Support the integration of biodiversity conservation into economic development
3. Support innovative initiatives for the multi-functional, sustainable use of natural resources

ROfE's structure

Regional Office for Europe (ROfE) is a branch of the IUCN global network. We along with offices and commissions around the world link back to the President, Director General and Council of IUCN. For a history of IUCN and an explanation of the global structure please visit iucn.org

ROfE is comprised of four IUCN offices located in Brussels, Warsaw, Belgrade and Moscow. The head office, located in Brussels, is a meeting point where the IUCN Programme Office for Central Europe in Warsaw, the IUCN Programme Office for the Commonwealth of Independent States in Moscow and the IUCN Programme Office for South-Eastern Europe in Belgrade can disseminate information and strategies. Together as ROfE we strive to meet our goals for a sustainable Europe by utilizing local expertise and the strength of the global IUCN network.

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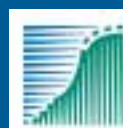
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Produced with the generous support of the Netherlands Ministry of Agriculture, Nature and Food Quality (LNV)

ROfE Regional Office for Europe