

# ENTWINED | 2011

Annual Report



*On track – making a difference on critical policy issues*

*Annual report 2011*  
ENTWINED (2012)  
Box 210 60  
SE-100 31 Stockholm  
Sweden  
[www.entwined.se](http://www.entwined.se)

Production: Kerstin Kristoferson, IVL Swedish Environmental Research Institute  
Editor: Erika Svensson, IVL Swedish Environmental Research Institute



## Director's view

ENTWINED has again delivered on an ambitious work programme - providing scientifically sound assessment of critical policy issues and delivering timely insight to policymakers. ENTWINED's annual report provides an account of our activities undertaken during the course of the year 2011; the fifth year of ENTWINED's programme of work.

2011 is our most successful yet and provides a solid basis for the coming two years of activities. Together, ENTWINED's researchers, board members and communications experts have continued to roll out not only cutting edge research but also high quality engagement and communication activities. Thousands of trade and environment practitioners (and academics) are being reached by ENTWINED via our events, our website and our publications. This is a testament to the productivity of our team who, through our collective efforts, have helped to further secure the ENTWINED brand in a polarised and often turbulent debate.

Sincerely,

*Mark Sanctuary*  
Programme Director – ENTWINED  
IVL Swedish Environmental Research Institute  
1<sup>st</sup> March 2012

## Contents

DIRECTOR'S VIEW	3
INTRODUCING ENTWINED	5
OUR RESEARCH	6
SUBPROJECT OUTPUTS	6-8
OUTREACH	9
DISSEMINATION	10
2011 PUBLICATIONS	11
ENTWINED OUTPUTS PUBLISHED IN PEER REVIEWED JOURNALS: 2008 ONWARD	11
ENGAGING END-USERS AND SUPPORTING COLLABORATION	12-13
PUBLIC RELATIONS AND MEDIA	14
TEACHING AND GRADUATE SUPERVISION	14
FINANCIAL REPORT	15
THE ENTWINED TEAM	16-18
PROGRAMME BOARD	19

## Introducing ENTWINED

ENTWINED – Environment and Trade in a World of Interdependence – was initiated in January 2007, in response to a Mistra call for research on “policy alternatives for managing the trade and environment interface”. The call reflected the need to investigate how to better integrate environmental aspects into international trade negotiations in our increasingly entwined global economy. Mistra has awarded funding for ENTWINED for a seven-year period, through to the end of 2013.

Our objective is to provide scientific knowledge, and to provide tools to support Swedish and other European negotiators and stake-

holders in integrating environmental aspects into the international trade regime. At a more practical level, our objective is to on the one hand study issues at the intersection of international economics, environmental economics and trade law, and on the other hand to engage on issues with stakeholders who have a role in initiating change, such as decision makers in government agencies at the national, European and multilateral levels. Taking both a positive and a normative point of view, ENTWINED aims first to identify when trade and environment act in concert or at cross purposes, and second to suggest alternatives to allow for simultaneous achievement of trade and environmental objectives.



## Our research

ENTWINED's research provides a scientific basis for designing policy to address critical sustainable development challenges. The issues pursued through 2011 are built around three main headings, each focusing on a distinct level of institutional organization; multilateral, unilateral and private initiatives. At the same time the work recognises the interconnectedness of trade and environment governance across these three levels. The following is a "compass" that briefly summarises the research questions pursued across these three headings over 2011. A more detailed description of the research findings are provided in the subsequent subsection.

### **The treatment of environmental policies in the WTO:**

- What is the role of the WTO Committee on Technical Barriers to Trade in defusing tension over WTO Members unilateral environmental policies?
- How can the WTO improve its treatment of transparency obligations? Can improved templates for notifications, better data, agenda placements, reversal of the burden of proof, etc improve the working of the WTO in this regard?

### **Trade and Unilateral Environmental Policies; Border Carbon Adjustments:**

- What are the principles of good practice and can these principles help policymakers strengthen the design of border carbon adjustment measures?
- How do climate policies, including border adjustments, in industrialized countries affect trade partners?
- How do border adjustments, output-based rebates, and alternative policies compare for reducing emissions leakage as the coalition of countries regulating greenhouse gas emissions grows larger?

### **Trade and the Impact of Voluntary Environmental Standards:**

- What are the social, economic and environmental impacts of sustainability standards operating in the global market, and how are these impacts distributed geographically and across global supply chains?

## Subproject outputs

### **The treatment of environmental policies in the WTO**

At the multilateral level, ENTWINED delivered on two subprojects that examined the treatment of environmental policies in the WTO. The first stream of work asks "Who is accountable at the World Trade Organization?" In the working paper, Prof. Wolfe suggests that the WTO might face an accountability "trilemma", efforts to enhance one aspect of accountability might undermine others. Resolving this tension will be central in determining how multilateral trade policy can contribute to sustainable development. However a necessary first step is uncovering who might be accountable at the WTO.

A second stream of work takes a new look at how the WTO resolves environmental and environmentally related disputes. Environmental disputes are raised in a number of different WTO institutions; not simply before Dispute Settlement Panels. The study undertaken examines the role played by the WTO's Technical Barriers to Trade (TBT) Committee in this capacity. In their working paper "Between Transparency and Adjudication: Environmental Measures in the WTO TBT Committee" Henrik Horn and Petros C. Mavroidis together with Erik Wijkström at the WTO, map all disputes raised before the TBT Committee from 1995 to 2011. With the richness of the data the authors are able to provide a taxonomy of disputes building on the identity of parties to the dispute, the subject-matter and how settlement was reached.

The study helps illuminate the extent of the TBT Committee's role in "settling" environmental disputes and investigates possible explanations for why this forum has come to play this role. The frequency of environmental concerns raised before the TBT Committee suggests that WTO Members unilateral environmental policies may cause more conflict than it would appear judging by the paucity of regular environmental disputes. The latter rather testifies to the ability of the TBT Committee to resolve such conflicts in other ways than through formal adjudication.

### **Border Carbon Adjustments**

At the unilateral level, ENTWINED's research has focused on the issue of border carbon adjustments (BCAs); a thorny issue for trade and environment practitioners. ENTWINED's research has not only provided a significant contribution to the scientific literature on BCAs but has also leveraged the research base to deliver timely insights to policymakers.

For the last two years, with the support of ENTWINED, a small group of experts led by Aaron Cosbey have been engaged in a unique endeavour: drafting "A Guide for the Concerned: Guidance on the elaboration and implementation of border carbon adjustment". BCA aims to level the playing field between domestic producers that are subject



*ENTWINED research suggests that the WTO might face an accountability “trilemma”, efforts to enhance one aspect of accountability might undermine others. Resolving this tension will be central in determining how multilateral trade policy can contribute to sustainable development.*

to carbon pricing and foreign producers subject to lower regulatory costs. It involves assessing a tax adjustment at the border, or requiring importers to buy into a domestic cap and trade regime for carbon emissions. It has been proposed by every climate bill to come before the US Congress, and is being proposed by the French to feature as part of the EU's Emissions Trading System. In January 2012, the European Commission required foreign airlines to purchase European emission credits – a BCA in effect.

The intent of the expert group is not to promote BCA. The drafting group starts from the perspective that it is at best a fall-back measure in the event of collective failure at the international level to define appropriate levels of national action. At worst BCA can be a highly imperfect policy tool with serious methodological challenges. However, the state of multilateral climate discussions suggest that BCA will endure as a proposal. And so our goal is to have a thoughtful practical set of guidance by which any proposed scheme can be measured, ready to serve when needed. With ENTWINED support the group of experts have met three times, and garnered input from a wide variety of stakeholders and has drawn on the expertise of ENTWINED's research base. The intention is to have the final guidance ready for dissemination in 2012, at which point the work turns from drafting guidance to promoting the results. The goal is to have the work become a recognized benchmark for building and assessing BCA regimes. In addition to the guidance on BCAs, targeting policymakers primarily, ENTWINED's researchers are also pursuing some of the fundamental questions around BCA. Several ENTWINED working papers on BCA have been completed during the course of the year. In their working paper “Cost-Effective Climate Policy Design: Size Matters” Christoph Böhringer,

Carolyn Fischer and Knut Einar Rosendahl assess the attractiveness of anti-leakage measures (such as BCAs and other related trade measures) as a function of the extent of a global climate agreement's coverage. The results suggest that full border adjustments rank first in terms of global cost-effectiveness, followed by import tariffs and then output-based rebates. The differences across anti-leakage measures and the overall appeal of such measures decline with the extent of the climate agreement. In terms of cost incidence, countries that are part of the climate agreement prefer border carbon adjustments over output-based rebates; the opposite holds true for countries outside the climate agreement.

In another related work, Carolyn Fischer and Alan Fox study “The Role of Trade and Competitiveness Measures in U.S. Climate Policy”. In the working paper, the authors review the proposed measures for addressing competitiveness and carbon leakage concerns in recent US climate policy legislation. In particular they discuss recent research into the welfare and carbon leakage effects of using output-based allocation and trade measures in conjunction with climate policies. In the working paper “Technology Policy for Internationally Competitive Industries” Carolyn Fischer, Mads Greger and Knut Einar Rosendahl investigate how technology policy could be used instead of BCAs in order to limit carbon leakage. BCA is motivated not only as a trade policy but also as a climate policy. The deployment of a BCA would change the strategic interaction between trading partners as they regulate trade and climate emissions. In “Optimal Tariffs, Emission Policies and Border Carbon Adjustments”, Mark Sanctuary examines the impact of a unilaterally deployed BCA on climate and trade policy in a strategic setting. Efforts to limit cumulative emissions over the next century may be offset by



*Organic certification improves coffee growers' environmental performance and significantly reduces chemical input use and increases adoption of some environmentally friendly management practices.*

emissions leakage, not only between countries but over time. A resource owner interest to maintain extraction over time suggests that in the extreme, intertemporal leakage may reach 100 percent, and in a less extreme form suggests that policies that promote, for example, a faster transition to clean energy may accelerate emissions, shortening the time to adapt and increasing damages. These effects have been labelled the "green paradox". In "Alternative Climate Policies and Intertemporal Emission Leakage" Carolyn Fischer and Stephen Salant examine intertemporal leakage resulting from five policy options. They find that all the policies studied can reduce cumulative emissions and rank the effectiveness of the policies in terms of their effectiveness of mitigating intertemporal leakage.

### **Voluntarily Sustainability Initiatives**

The policies promulgated by governments are not the only initiatives underway to address trade and environment challenges. Voluntary Sustainability Initiatives (VSI) are increasingly changing the way trade and environment is managed. Indeed, the market share of many "eco-labels" is growing rapidly. At the same time, there is little robust research that examines the impact these initiatives have on production. To help fill this knowledge gap, Marcela Ibañez and Allen Blackman conduct a statistical analysis in "Does Eco-Certification have Environmental Benefits? Organic Coffee in Colombia". Using a detailed farm-level dataset and find; that organic certification improves coffee growers' environmental performance; and significantly reduces chemical input use and increases adoption of some environmentally friendly management practices. Large amounts of data are necessary in order to contribute robust statistical evidence on the impact of VSI's. In recognition of this, ENTWINED is supporting

a major data gathering effort underway by the The Committee on Sustainability Assessment (COSA); a non-profit global consortium of institutions developing and applying an independent measurement tool to analyse the distinct social, environmental and economic impacts of any agricultural practices. ENTWINED, with Jason Potts, IISD, in the lead, has helped support and implement the deployment of an online, public, database that will help disseminate a common language of sustainability measures for agriculture that are widely-shared because they are widely valued. The database is collected at the farm level via surveys and currently covers several thousand farms. The data includes coffee farming in Colombia, Guatemala, Tanzania, Honduras, Kenya, Peru, Costa Rica and Vietnam. It also includes cocoa in Ghana and Côte d'Ivoire. Other sectors that are forthcoming include tea, cotton, palm oil and soy. COSA's online public database is fully operational and will be made open to the public during the course of 2012. In the meantime, the database is currently being used to prepare a global report drawing on information contained in the database. More information on COSA is available at <http://sustainablecommodities.org>

## Outreach

ENTWINED works with a range of stakeholders, both nationally and internationally. Over the course of 2011 ENTWINED has further expanded its network of contacts. For example, through 2011 ENTWINED expanded our contact base from 250 to 750 global trade and environment practitioners across approximately 400 organizations. In Sweden the organizations include: the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Enterprise, the Swedish Environmental Protection Agency, the Swedish Energy Agency, the Swedish National Board of Trade, the Swedish Trade Council, the Swedish Parliament and the Swedish Society for Nature Conservation.

One of ENTWINED's key partners is Sweden's National Board of Trade (Kommerskollegium), with whom ENTWINED is working closely. Indeed, the National Board of Trade participates directly in ENTWINED as a member of Mistra's appointed board to our programme. Our contacts also include practitioners at international and multilateral organizations such as: the European Commission, the International Chamber of Commerce, UNEP, WTO, the OECD Round Table on Sustainable Development, WWF and Fair Trade. ENTWINED also engages representatives from the private sector and academia at universities in Sweden, Europe and the US. Furthermore, our international reach leverages the networks that ENTWINED's partners have access to.

ENTWINED communicates with its target groups primarily by disseminating publications, hosting and participating in seminars, workshops and conferences, and via our website. We have also seen an additional channel that we had not planned for; student lectures given by our researchers. In this section we describe how we have made use of these channels to reach our target audience.



*Photos from the ENTWINED Policy Seminar, October 2011, Stockholm. Photo by Sara Malmheden, IVL.*

## Dissemination

The approach taken to disseminating ENTWINED's publications is tailored to each type of publication. For example ENTWINED's Issue Briefs are disseminated through the post and email, at our events, and on our website. Printed and produced copies of our Issue Briefs are distributed to trade and environment practitioners in Sweden and abroad. The Issue Briefs are also distributed at events ENTWINED hosts or participates in.

We also rely on our networks and contacts when disseminating our policy reports and Issue Briefs. For example IISD is supporting the dissemination of ENTWINED's outputs with its network of 4 000 practitioners and 1 500 media contacts. Also noteworthy is that IISD's ENTWINED report on the State of Sustainability Initiatives was the most popular with 5000 downloads. Likewise, downloads of ENTWINED's products from partner

homepages, University of Gothenburg and RFF, and third party homepages such as the Social Science Research Network contributed significantly to the dissemination of our reports during 2011.

Also noteworthy is that ENTWINED's website [www.entwined.se](http://www.entwined.se) has had 2 500 visitors and 50 000 hits during 2011. Furthermore, we posted video presentations from the ENTWINED Policy Seminar on our website, so called webinars. The webinars have had 500 views during the period from the end of October (when they were posted on the web) to the close of the calendar year.

*ENTWINED participated in the WTO Public Forum 2011. Professor Robert Wolfe, Ambassador Mario Matus of Chile and Mark Halle, IISD is discussing Advancing Trade and Environment in the Absence of Negotiations.*



## 2011 Publications

### ENTWINED Reports and Papers

- "Who is accountable at the World Trade Organization?" By Robert Wolfe.
- "Did the protectionist dog bark? Transparency, accountability, and the WTO during the global financial crisis." By Robert Wolfe and Mark Halle.

### ENTWINED Issue Brief Series

- "Looking Back, Looking Forward: Civil Society Contributions to WTO Accountability" by Mark Halle and Robert Wolfe.
- "On the role of MEAs in the WTO: Legislators' Silence Speaks Volumes" by Henrik Horn and Petros C. Mavroidis.
- "Natural Rubber in a Changing Market: The Opportunity for a Global Sustainability Framework?" Ulrich Hoffmann and Jason Potts.
- "Trade and Production Policies for Biofuels" by Håkan Eggert, Carolyn Fischer and Mads Greaker.

### ENTWINED outputs published in peer reviewed journals: 2008 onward

- "The permissible Reach of National Environmental Policies," *Journal of World Trade* 42(6), 2008, 1107-1178 by Henrik Horn and Petros C. Mavroidis.
- "The Burden of Proof in Environmental Disputes in the WTO: Legal Aspects," *European Energy and Environmental Law Review* 18(2), 2009 by Henrik Horn and Petros C. Mavroidis.
- "Does trade help or hinder the conservation of natural resource?," *Review of Environmental Economics and Policy* (2010) 4(1): 103-121 by Carolyn Fischer.
- "The Global Effects of Subglobal Climate Policies," *B.E Journal of Economic Analysis & Policy* 10 (2) (Symposium): Article 13 (2010) by Christoph Boehringer, Carolyn Fischer and Knut Einar Rosendahl.
- "Trade, GMOs and Environmental Risk: Are Current Policies Likely to Improve Welfare?," *Environmental and Resource Economics* Volume 48, Number 4, 587-608 by Håkan Eggert and Mads Greaker.
- "Climate Change and the WTO: Legal Issues Concerning Border Tax Adjustments," *Japanese Yearbook of International Law* 53, 2010 by Henrik Horn and Petros C. Mavroidis.
- "Global Warming and the World Trading System" by Charnovitz et al. Book review by Carolyn Fischer and Petros C. Mavroidis on published in the *Journal of Economic Literature* Vol. 48, No. 3 September 2010.
- "The Burden of Proof in Trade Disputes and the Environment", *Journal of Environmental Economics and Management* Vol. 62, No. 1, pp. 15-29, 2011 by Henrik Horn.

- "Trade's growing footprint", *Nature: Climate Change (News and Views)* Vol. 1 No. 3 pp. 146-147, 2011 by Carolyn Fischer.
- "To BTA or not to BTA?," forthcoming in *World Economy*, 2012 by Henrik Horn and Petros Mavroidis.
- "Comparing Policies to Combat Emissions Leakage: Border Tax Adjustments versus Rebates", forthcoming in *Journal of Environmental Economics and Management* by Carolyn Fischer and Alan Fox.
- "Strategic Environmental Policy" by Mads Greaker forthcoming in *Encyclopedia of Environmental and Resource Economics*, Jason Shogren and Per Fredrikson (eds.) 2012.
- "Protectionism and multilateral accountability during the Great Recession: Drawing inferences from dogs not barking", forthcoming in *Journal of World Trade* 46:4, August 2012, by Robert Wolfe.
- "The Role of Trade and Competitiveness Measures in US Climate Policy", *American Economic Review*, May 2011, Vol. 101, No. 3: Pages 258-262 by Carolyn Fischer.

## Engaging end-users and supporting collaboration

An important complement to our dissemination activities are the seminars, workshops and conferences. These activities serve not only as further support for the dissemination of our results, but also to provide forums where the research team gathers feedback from our end-users. ENTWINED continued to organize public policy

conferences and workshops with a strong academic and scientific base, leveraging our existing platform and making the best use of our resources.

Through these activities, ENTWINED has reached over 2000 individuals, up from 1200 individuals in 2010. We present an account of these activities in Table 1.

Table 1 – ENTWINED’s seminars, workshops and conferences for 2011

Title of presentation	Event name and Location	Date	Approximate Participation
The Role of Trade and Competitiveness Measures in U.S. Climate Policy	American Economic Association Session Critical Issues in National Climate Policy Design, Denver, CO, USA	January 9	50
Competing Environmental Labels	US EPA Workshop “Benefits of Environmental Information Disclosure”, Arlington, VA, USA	January 18	60
On the Role of Output-Based Rebating	Workshop on cross-model comparison of border carbon adjustments, Zurich, Switzerland	February 17	30
Guidance on elaborating and applying border carbon adjustments	Joint ENTWINED/WRI/IISD workshop	February 21	10
Panel on Transparency at the WTO at the	International Studies Association, Montreal, Canada	March 19	50
Do stated preferences predict actual behavior: a study of the Swedish retail market for labeled coffee	U. Gothenburg Seminar, Gothenburg, Sweden	April 26	15
Climate Change and Investment: Challenges for Policy Making	Trade, Investment and Sustainable Development Priorities in South America, Rio de Janeiro, Brazil	April 29	20
Civil Society and WTO Accountability	WTO Workshop, Geneva, Switzerland	May 9	50
The State of Sustainability Initiatives 2010	Pacific Institute’s Expert Meeting on Standards, London, England	June 4-5	30
Cost-Effective Climate Policy Design	UC-Davis Seminar, Davis, CA	June 9	20
Taming the Tiger: Defining Best Practice in Border Carbon Adjustment	Climate Policies, International Regimes, and Global Trade. A Transatlantic Perspective, UBC, Vancouver, Canada	June 10	45
To BTA or not to BTA? On the legality and Desirability of Border Tax Adjustments from a Trade Perspective.	Columbia Roundtable on Climate Change	June 11-12	200
On the Role of Output-Based Rebating	GTAP Conference, Venice, Italy	June 18	40
To BTA or not to BTA? On the legality and Desirability of Border Tax Adjustments from a Trade Perspective.	Climate Change Policies and the World Trading System: The Challenges Ahead – FERDI-IDDDRI conference for preparation of the G20, Paris France	June 24	70
To BTA or not to BTA? On the legality and Desirability of Border Tax Adjustments from a Trade Perspective.	WTO and Climate Change, WTO Geneva, Switzerland	June 28	75
On the Role of Output-Based Rebating	EAERE Conference, Rome, Italy	July 1	30
Cost-Effective Climate Policy Design	EAERE Conference, Rome, Italy	July 1	30
The State of Sustainability Initiatives 2010	Canadian Business for Social Responsibility, Toronto, Canada	August 10	30
Do Swedish Consumers buy what they say they buy: A study of the Swedish retail market for labelled coffee	Miljöpartiets Internationella Sommarlägret Uppsala, Sweden	August 14	60

The State of Sustainability Initiatives 2010	OECD Food Supply Chain Network, Paris, France	September 12	100
Do stated preferences predict actual behavior: a study of the Swedish retail market for labeled coffee	National Economics Conference, Uppsala, Sweden	September 16	35
WTO Accountability	WTO Public Forum	September 20	60
Legal and Economic Principles of World Trade Law: National Treatment	Legal and Economic Principles of World Trade Law, Columbia Law School, New York, USA	October 4	30
Border carbon adjustment: An international agreement on best practice?	Trade, Investment and Climate Change: Searching for Progress on Key Issues, Geneva Switzerland	October 13	100
Method and quality discussion	COSA Researcher Meeting, Stockholm, Sweden	October 17-19	15
International Agreement on elaborating and applying border carbon adjustment	Responding to the challenges for international and European climate policy after Copenhagen, Berlin, Germany	October 19	15
Trends in Sustainable Trade	ENTWINED Policy Seminar , Stockholm, Sweden	October 20	100
The State of Sustainability Initiatives 2010	Corporate and Community Social Responsibility Conference, Ottawa, Ontario	November 15	400
The State of Sustainability Initiatives 2010	World Bank Brown Bag Presentations, Washington, DC, USA	November 29	30
Climate Law and Governance in the Global South	UNFCCC, COP 18, Durban, South Africa	December 4	65
Non-Discrimination and Domestic Policies	Developing Countries and Environmental Policy, WTO Geneva, Switzerland	December 5	150
Trade Policy as Response Measures: Searching for Progress	UNFCCC COP 17, Durban South Africa	December 5	45
The WTOs Treatment of Transparency Obligations	Seminary at the European University Institute, Florence, Italy	December 13	25

## Public relations and media

In 2011 we made a special PR-effort in order to get ENTWINED's research covered by mainly Swedish media. Below are a few examples of media coverage for ENTWINED in 2011.

- **Vetenskapsradion**, Sveriges Radio, October 29th, 2011, interview with Mark Sanctuary, programme manager ENTWINED. (Swedish only).
- **Dagens Industri**, Krav på bättre märkning, October 25 2011. (Swedish only).
- **Miljöaktuellt**, Globalt lyft för miljömärkningar, number 9/2011. (Swedish only).

The effort was successful and our strategy is to continue working more proactive with media and to establish closer relationships with especially the scientific editorials at different media.

## Teaching and graduate supervision

ENTWINED also supports Alex Schmitt, a PhD Student in Economics at the Institute for International Economic Studies (IIES) at Stockholm University. Alex joined IIES in September 2010 and has been a doctoral student at Stockholm University since 2008. Alex is spending the 2011/2012 academic year at Yale University, USA. He holds an M.A. from Simon Fraser University in Canada and a "Diplom" from the University of Regensburg in Germany. His main fields of interest are computational macroeconomics, natural resource economics and the economics of climate change, with a focus on climate-economy modeling.

Alex is currently working on two research projects. The first is "Carbon Taxation, Inequality and Welfare" examines the welfare and distributional effects of carbon taxes. The second is "Backstop Economics" (working title) examines resource extraction under uncertainty in the presence of a backstop technology.

An unplanned outcome of ENTWINED is that Håkan Eggert and Mads Greaker taught a course on Trade and Environment during the fall term of 2011. Approximately 70 students attended and the material being taught is inspired partly by ENTWINED's research.

*In 2011 we made a special PR-effort in order to get ENTWINED's research covered by mainly Swedish media.*



# Financial Report

## Entwined program budget and expenses (KSEK)

<b>Research Effort</b>	Budgeted					Expenses incurred				
<b>Category</b>	2010	2 011	2 012	2 013	Total	2010	2 011	2 012	2 013	Balance
Fees excl overhead	3 750	3 750	3 750	3 750	15 000	3 107	4 294	0	0	7 599
Overhead	1 350	1 350	1 350	1 350	5 400	1 000	1 779	0	0	2 621
Publication and Website	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0
Events	0	0	0	0	0	0	0	0	0	0
Value added tax (VAT)	0	0	0	0	0	223	223	0	0	-446
Unallocated	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5 100</b>	<b>5 100</b>	<b>5 100</b>	<b>5 100</b>	<b>20 400</b>	<b>4 330</b>	<b>6 296</b>	<b>0</b>	<b>0</b>	<b>9 774</b>
<b>Communications</b>	Budgeted					Expenses incurred				
<b>Category</b>	2010	2 011	2 012	2 013	Total	2010	2 011	2 012	2 013	Balance
Fees excl overhead	350	350	350	350	1 400	235	382	0	0	783
Overhead	350	350	350	350	1 400	235	382	0	0	783
Publication and Website	300	300	300	300	1 200	224	179	0	0	797
Travel	400	400	400	400	1 600	153	625	0	0	822
Events	500	500	500	500	2 000	142	528	0	0	1 331
VAT	0	0	0	0	0	42	274	0	0	-316
Unallocated	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1 900</b>	<b>1 900</b>	<b>1 900</b>	<b>1 900</b>	<b>7 600</b>	<b>1 028</b>	<b>2 372</b>	<b>0</b>	<b>0</b>	<b>4 200</b>
<b>Program Management</b>	Budgeted					Expenses incurred				
<b>Category</b>	2010	2 011	2 012	2 013	Total	2010	2 011	2 012	2 013	Balance
Fees excl overhead	325	325	325	325	1 300	407	371	0	0	522
Overhead	325	325	325	325	1 300	355	371	0	0	574
Publication and Website	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	30	0	0	0	-30
Other	0	0	0	0	0	25	0	0	0	-25
VAT	0	0	0	0	0	0	0	0	0	0
Unallocated	850	850	850	850	3 400	0	865	0	0	2 535
<b>Total</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>6 000</b>	<b>816</b>	<b>1 608</b>	<b>0</b>	<b>0</b>	<b>3 577</b>
<b>PhD Support</b>	Budgeted					Expenses incurred				
<b>Category</b>	2010	2 011	2 012	2 013	Total	2010	2 011	2 012	2 013	Balance
Fees excl overhead	335	350	350	350	1 385	335	296	0	0	1 050
Overhead	185	200	200	200	785	185	103	0	0	600
Publication and Website	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0
Events	0	0	0	0	0	0	0	0	0	0
VAT	0	0	0	0	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>520</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>2 170</b>	<b>520</b>	<b>399</b>	<b>0</b>	<b>0</b>	<b>1 650</b>
<b>Total</b>	Budgeted					Expenses incurred				
<b>Category</b>	2010	2 011	2 012	2 013	Total	2010	2 011	2 012	2 013	Balance
Fees excl overhead	4 760	4 775	4 775	4 775	19 085	4 083	5 344	0	0	9 954
Overhead	2 210	2 225	2 225	2 225	8 885	1 774	2 636	0	0	4 578
Publication and Website	300	300	300	300	1 200	224	179	0	0	797
Travel	400	400	400	400	1 600	183	625	0	0	792
Events and Other	500	500	500	500	2 000	166	528	0	0	1 306
VAT	0	0	0	0	0	265	497	0	0	-761
Unallocated	850	850	850	850	3 400	0	865	0	0	2 535
<b>Total</b>	<b>9 020</b>	<b>9 050</b>	<b>9 050</b>	<b>9 050</b>	<b>36 170</b>	<b>6 694</b>	<b>10 674</b>	<b>0</b>	<b>0</b>	<b>19 201</b>

## The ENTWINED Team

The research consortium brings together researchers from different disciplinary backgrounds, including international law, economics, policy and natural science. They are an international group comprised of leading trade and environmental policy researchers based mainly in Sweden, but also from Switzerland, Canada, and the United States. The following people, listed in alphabetical order, form the research team:



**Aaron Cosby** is Associate and Senior Advisor at the Trade and Investment Program, International Institute on Sustainable Development (IISD). Aaron is a development economist specializing in the areas of trade, investment and sustainable development;

international environmental governance; and climate change. He has published widely for 18 years in the area of trade and sustainable development, and for more than ten years in the area of climate change and energy, and has consulted to governments, research institutes, academia, UN agencies, NGO's and IGO's. His current work focuses on the intersection of trade, investment and climate policy, with particular emphasis on issues surrounding competitiveness and leakage, and investment policy for climate friendly foreign direct investment (FDI).



**Håkan Eggert** is a Researcher in Economics University of Gothenburg, Sweden. He earned his Ph.D. in Economics in 2001 with a thesis on problems related to commercial fisheries. The thesis work was part of the Mistra-funded program Sustainable Coastal

Zone Management. Håkan Eggert has been actively involved in developing an Environmental Social Science Masters Program at University of Gothenburg, and has served as Director of Studies and Chairman for this Programme. He has published papers on bioeconomics, risk, production, compliance and valuation, usually with a link to marine resources. He has also served as an advisor to the Swedish Environmental Protection Agency for the Commission on the Marine Environment appointed by the Swedish government and the public report *Fishy Fishing: Decision-Making and Economic Performance in Swedish Fishery Policy*, appointed by the Ministry of Finance.



**Carolyn Fischer** is a tenured Senior Fellow at Resources for the Future (RFF) in Washington, DC. She holds a Ph.D. in Economics from the University of Michigan, Ann Arbor, and a B.A. in International Relations with honours from the University of Pennsylvania in Philadelphia,

USA. Her research interests cover a variety of issues, both domestic and international, from resource use and decision making over time, to environmental and tax policy design, to behavioral economics. Specific to this project, she has written on the implications of multilateral trade agreements for the design and implementation of domestic environmental policies. She has also studied voluntary environmental policy mechanisms like ecolabels, the relationship between trade and invasive species management, and the role of trade in protecting endangered species. She has published widely in peer-reviewed journals and has also conducted policy analysis for the World Bank Group, the Asian Development Bank, and the Canadian National Round Table on the Environment and the Economy. Prior to her appointment at RFF, she served as a Staff Economist on the Council of Economic Advisors to the President during the Clinton Administration. She spent the fall of 2005 as a Fellow at the Norwegian Centre for Advanced Study, conducting research on climate and technology policies. She is also a Visiting Professor at Gothenburg University.



**Mads Greaker** is affiliated with the Department of Economics, University of Gothenburg, Sweden, in a part-time capacity. Among other responsibilities, he coordinates the Master Course "Environmental Economics—International Issues," together with Håkan Eggert in which trade and the

environment constitute a major part. Mads Greaker earned his Ph.D. in Economics from the University of Oslo in 2002. His thesis was on the relationship between industrial organization, international competitiveness and environmental regulations. He has published several papers on various aspects of the Porter-hypothesis, on eco-labeling and protection-

ism, as well as on the economics of climate change. He heads the research group for Petroleum and Environmental Economics at Statistics Norway in Oslo.



**Mark Halle** is the director of the International Institute for Sustainable Development's (IISD's) office in Europe, and also of its global programme on Trade and Investment. A dual citizen of the United States and Italy, he has spent the bulk of his career in international environmental affairs. He began as a Programme Officer in the Policy Planning Unit of the United Nations Environment Programme, moving to the World Wildlife Fund International, responsible for its programme in China. He then helped to establish the Conservation for Development Centre in IUCN—the World Conservation Union—moving on to become, successively, the Director of Field Operations, the Director of Development, and finally the Director for Global Policy and Partnerships. He left IUCN in 1997 to set up the IISD Office in Europe. He is also the founder and first Chairman of the International Centre for Trade and Sustainable Development, and sits on a wide range of boards and advisory committees for trade-related organizations in Europe, Asia, Latin America and Australia. He frequently lectures and publishes on trade, investment and environmental issues.

He began as a Programme Officer in the Policy Planning Unit of the United Nations Environment Programme, moving to the World Wildlife Fund International, responsible for its programme in China. He then helped to establish the Conservation for Development Centre in IUCN—the World Conservation Union—moving on to become, successively, the Director of Field Operations, the Director of Development, and finally the Director for Global Policy and Partnerships. He left IUCN in 1997 to set up the IISD Office in Europe. He is also the founder and first Chairman of the International Centre for Trade and Sustainable Development, and sits on a wide range of boards and advisory committees for trade-related organizations in Europe, Asia, Latin America and Australia. He frequently lectures and publishes on trade, investment and environmental issues.



**Henrik Horn**, Professor of International Economics, joined the Institute for International Economic Studies (IIES), Stockholm University in 1978. He received his Doctor in Economics at the Stockholm School of Economics in 1983, was appointed Associate Professor at the IIES

1986, and was a Full Professor at IIES from 1994 until his resignation 2007. He was Deputy Director at the IIES between 2000 and 2004. Since 2006, his main affiliation has been with the Research Institute of Industrial Economics (IFN) in Stockholm, where he is Senior Research Fellow. Horn is also a Non-Resident Senior Fellow at Bruegel, a Brussels-based think tank, Chief Reporter (jointly with Petros C. Mavroidis) for the American Law Institute project Principles of World Trade Law: The World Trade Organization. Horn is a Research Fellow in the International Trade and Industrial Organization Programmes of the Centre for Economic Policy Research, London, and an Editorial Board member of the Journal of World Trade and the World Trade Review. Horn has performed research in a variety of areas, including International

Economics, Industrial Organization, Labor Economics and Economics of Sports. For the past 15 years, Horn's research has mainly been focused on issues at the intersection between Economics and Law, and in particular economic and legal aspects of international integration agreements, such as the WTO and the EU, and competition and regulation issues. He is also participating with Petros C. Mavroidis in a long-term project on the relationship between nationally and multilaterally defined environmental policies and the WTO Agreement. Horn has taught from introductory to advanced graduate courses at e.g. Stockholm University, the Stockholm School of Economics, the University of Michigan, Princeton University, the World Trade Institute (Bern), and the Graduate Institute of International Studies (Geneva). He has served as a Judge in the Swedish Supreme Court for antitrust cases, and worked for four years in the Economic Research and Analysis Division of the WTO.



**Petros C. Mavroidis** is an Edwin B. Parker Professor of Law at Columbia Law School, New York, and Professor of Law at the University of Neuchâtel, Switzerland, as well as a Research Fellow at the Centre for Economic Policy Research (CEPR). He studied in Brussels and Berkeley before completing his Ph.D. thesis in Heidelberg, Germany. He teaches

Trade Law and has been visiting various institutions, including European University Institute (Florence) and Princeton University. Mavroidis was with the Legal Service of the GATT/WTO from 1992 through 1996, and has also worked for the OECD Trade and Competition Directorate. He has consulted for the European Commission, and the World Bank. His core interests are in the study of international trade, and he has published extensively in the area. He is, along with Henrik Horn, Chief Reporter for the American Law Institute (ALI) for the same long-term project described above. His current research is focused on dispute settlement in the WTO. Together with Horn, he recently prepared a comprehensive data set on the WTO dispute settlement system. He has been recently appointed full professor at EUI, Florence and will be on leave from Columbia Law School for the next five years, from 2011 until 2015.



**Jason Potts** is Senior Advisory to the Sustainable Markets and Responsible Trade (SMART) Program at the International Institute for Sustainable Development. Through his role at IISD Mr. Potts has led cutting edge research on the linkages between corporate

social responsibility, sustainable supply chain management and international trade policy, competition policy and commodity policy. Mr. Potts is Coordinator and co-founder of the Sustainable Commodity Initiative and Founding President of the Finance Alliance for Sustainable Trade (FAST). Prior to joining IISD, Mr. Potts worked with the Trade, Employment and Competitiveness Program at the International Development Research Centre, as well as the North American Commission for Environmental Cooperation's "Trade and Environment" Branch on issues at the nexus of trade, environment and international development. In addition to acting as a Director for FAST and Equiterre, Mr. Potts acts as an advisor to a host of multi-stakeholder and multi-lateral initiatives.



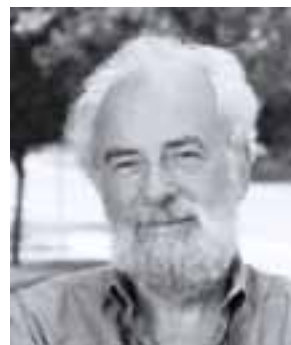
**Mark Sanctuary** is a Researcher and Project Manager at IVL Swedish Environmental Research Institute. Mark is the program manager for ENTWINED and his current research interests focus mainly on environmental and international economics and explore product stand-

ardizations and product chain policies and looks at whether and how sustainable development can be promoted through the use of these mechanisms. At IVL, Mark has led and managed several projects including a long-term initiative with the several Chinese government agencies on climate policy. Prior to IVL, Mark worked at the United Nations Environment Programme's Economics and Trade Branch in Geneva. In this capacity, he managed and facilitated several international environmental research projects in cooperation with multilateral organizations such as the OECD and the World Bank and worked closely with several leading financial institutions including Swiss Re and Munich Re. Mark has a Master of Science in Economics from the Stockholm School of Economics and is expecting to finish his dissertation in economics in 2012 at Stockholm University.



**Erika Svensson** currently works at IVL Swedish Environmental Research Institute as a project manager and communication officer at the department for Business development and Marketing. She also designs and delivers a comprehensive range of capacity building programs in

sustainable development for the private and public sectors. Erika's former experiences include; the role of communication specialist within a Swedish media network, senior consulting at Kairos Future, a company that works with future analysis and scenario planning, and the position of senior consultant at an environmental consulting company with a focus on social responsibility. Erika's educational background includes information science from the University of Örebro, advanced project and process management from the Kaospilot University and a Master's degree in Management with a specialty in Social Responsibility & Business Practice from the University of Bath.



**Robert Wolfe** is Professor in the School of Policy Studies at Queen's University in Kingston, Canada, and an IISD Associate in the Trade and Investment Program. He was a foreign service officer for many years, serving abroad in Dhaka, Bangladesh and in the Canadian

Delegation to the Organization for Economic Cooperation and Development in Paris. In Ottawa he worked in the National Security Section; in the U.S. Trade and Economic Relations Division; as Executive Assistant to the Ambassador for Multilateral Trade Negotiations and Prime Minister's Personal Representative, Economic Summit; and in the International Economic Relations Division. Since joining Queen's in 1995, where he teaches policy analysis and trade policy, Professor Wolfe has published widely in scholarly journals on trade policy and institutions, and on public opinion about trade. In the policy world, he is the coordinator of Canadian participation in the Canada-UK Colloquium, and a member of the Canadian Agricultural Trade Policy and Competitiveness Research Network. For the Department of Foreign Affairs and International Trade he is a Director of the Queen's Annual Institute on Trade Policy, which offers training for mid-career professionals, and a convener of the periodic Queen's Workshop on Trade Policy, which builds networks among Canadian academics.

## Programme Board

One of the important features of all Mistra research programmes is the appointment of a Programme Board. Through regular meetings with the research team, the Programme Board helps manage ENTWINED. This body is entrusted with responsibility for the direction of the programme.

### **ENTWINED's board members are:**

- *Lars Anell*, Chair of ENTWINED's board, is currently chair of the Swedish Research Council and is a Senior Advisor at Global Challenge, an independent Swedish think tank.
- *Catarina Hedlund* is Deputy Director, International Trade Policy Affairs, Ministry of Foreign Affairs, Sweden.
- *Lena Johansson* is Director General at the National Board of Trade, Sweden.
- *Bengt Kriström* is Professor of Resource Economics and Research Director, CERE, SLU-Umeå and Umeå University, Sweden.
- *Göran Nilsson* is Vice President Special Projects, SCA Forest Products AB, Sweden.
- *Anders Rune* is Chief economist at the Association of Swedish Engineering Industries, and Managing Director Teknikföretagens Förlag AB, Sweden.

The research programme ENTWINED – Environment and Trade in a World of Interdependence – examines the interplay between the global trade regime and environmental policies promulgated by governments and private entities with a particular focus on the treatment of transboundary problems. ENTWINED is actively engaged with policy makers and other stakeholders to the Trade and Environment Debate.

The team includes researchers specializing in environmental and natural resource economics, international economics and trade law. The programme has its focus in Sweden, but engages leading experts in other locations, including Geneva, New York, Washington and Montreal. The ENTWINED programme is funded by the Swedish Foundation for Strategic Environmental Research, Mistra, see [www.entwined.se](http://www.entwined.se)