

United Nations Environment Programme United Nations Conference on Trade and Development *Capacity Building Task Force on Trade, Environment and Development*

CBTF NEWSLETTER

SIDS, January 2005

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Special Newsletter for the Mauritius International Meeting (Barbados + 10) Mauritius, 10 – 14 January 2005

Introduction

The UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) was conceived as a means of combining the strengths, technical expertise and comparative advantages of UNCTAD and UNEP in implementing capacity building activities in developing and transition countries. By enhancing synergies between UNEP and UNCTAD, the CBTF ensures that capacity building activities are efficiently and effectively allocated to a wide range of beneficiaries. With access to both organisations' global networks, and through cooperation with the WTO, interested governments, inter-governmental organizations and non-governmental organizations (NGOs), the CBTF has been able to launch and sustain a coordinated global programme of demand-driven activities.

CBTF capacity building activities fall within five major clusters - country projects, thematic research, training, policy dialogue and networking.

The aim of the CBTF is to help countries, at their request, effectively address trade, environment, and development issues at the national level and participate effectively in deliberations at the international level. Due to the extra-budgetary nature of the CBTF, the capacity building activities have been launched in

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phases according to availability of financial resources. CBTF Phase I was completed in 2000-2003 and Phase II will run from 2004-2007.



CBTF Phase I

The first phase of CBTF was launched with the generous financial support of the European Commission, Germany, the Netherlands, Norway, Sweden, the United Kingdom, and the United States. The first phase of activities focused on the implementation of several capacity building projects at the national and

UNEP-UNCTAD CBTF Side Event:

**Trade Liberalization, Environmental Protection and Sustainable Development:
Opportunities and Challenges for Small Island Developing States (SIDS)**
Hall 3, Convention Centre (Les Pailles Exhibition Centre)
Port Louis, Mauritius, 11 January 2005

This event is intended to provide a forum for discussing and considering key trade, environment and development issues of particular importance to SIDS. Among others, these include:

- sustainable fisheries management;
- organic agriculture and other environmentally preferable products;
- sustainable tourism, including eco-tourism; and
- traditional knowledge and biodiversity.

The event will also provide a forum for discussing opportunities and challenges SIDS face in their efforts towards trade liberalization, sound environmental management and sustainable development. The forum should also contribute to identifying the role of the CBTF in supporting efforts by SIDS to address these challenges.



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regional levels, including a project on integrated assessment of trade liberalization and its impact on the use and potential phasing out of methyl bromide in Lebanon, a project on the utilization of economic instruments in natural resource and environmental management in Indonesia, a project implemented in close cooperation with the secretariat of the Basel Convention on the sound management of used vehicle batteries in 10 countries in Central America and the Caribbean, and a project supporting the integrated assessment of trade-related policies in the cotton sector in China. In addition, CBTF Phase I activities included the convening of several capacity building workshops focused on key trade, environment and development issues in Jamaica (November, 2003), Cape Town (May, 2003), Geneva (February, 2003), Fiji (November, 2002), Johannesburg (September, 2002), Singapore (May, 2002), Geneva (February and March, 2002), Brussels (February, 2002), Hanoi and Havana (December, 2001) Brussels (May, 2001) and Mexico (February, 2001).

Environment and Development for Portuguese-Speaking Countries in Angola.

The following issues were identified by stakeholders in developing countries, including SIDS, as possible priorities for CBTF Phase II activities:

• ***Integrated (sustainability) Assessment***

Integrated (or sustainability) assessment involves the application of a range of assessment methodologies focused on evaluating the environmental, social and economic impacts of a given policy, programme or plan. Most SIDS and other developing countries face serious constraints in their capacity to adequately assess the impacts of policies on environmental protection and social equity. This has proven to be particularly true in the case of trade-related liberalization policies. CBTF can assist these countries in developing and applying integrated assessment methodologies and developing policy responses to the outcomes of the assessments. Past CBTF projects

Brief overview of key SIDS-related CBTF Workshops

**CBTF Workshop on Post-Doha Issues on Trade and Environment
Fiji, 29 November 2002**

The Fiji workshop was held back-to-back with the World Trade Organization (WTO) Regional Seminar on Trade and Environment for Pacific Countries. Workshop discussions focused on a number of key themes, including the use of integrated assessment for examining the impact of trade policies; promoting exports of environmentally preferable products; and assessing and identifying capacity building needs of Pacific Island States on trade, environment and development issues.

**CBTF Workshop on Trade, Environment and Sustainable Development
for Caribbean Countries
Kingston, Jamaica, 27 – 28 November 2003**

The Jamaica workshop, which was funded by the Netherlands, was held back-to-back with a WTO Regional Seminar on Trade and Environment for Caribbean Countries. The workshop focused on integrated assessment of trade policies, environmental goods and trading opportunities for environmentally preferable products, and fisheries subsidies. In addition, workshop participants identified activities to strengthen the capacity of Caribbean regional organizations in analysing and addressing interactions between market access, environmental requirements and competitiveness. As a result of this meeting, a three-year CBTF Capacity Building Programme on Trade, Environment and Sustainable Development for the Caribbean Region was developed. This initiative has been submitted to donors for funding consideration.

CBTF Phase II

Building on these activities and a growing interest in the CBTF by beneficiary and donor countries, a new phase of activities was launched in 2004 with the financial support of the European Commission and the United States. In Phase II, CBTF will support a minimum of six thematic research/country projects, four training workshops, two international seminars on issues related to trade and environment, eight back-to-back workshops with WTO seminars, one regional seminar and two sub-regional seminars. Thus far, the CBTF has organised several national and regional training workshops, including a roundtable discussion on Promoting Trade for Sustainable Development at UNCTAD-XI in Brazil, a training workshop on Integrated Assessment for African Countries in Kenya, a training workshop on Enhancing Policy Coordination on Trade and Environment Issues in Cambodia, and a regional seminar on Trade,

have shown the usefulness in providing policy makers with the information necessary to make informed decisions and develop policies that mitigate any negative impacts and strengthen any positive impacts from trade-related policies and liberalization. The CBTF is in the process of finalizing a Training Module on Integrated Assessment of Trade-Related Policies, which could prove to be a useful tool in building the capacity of SIDS in the use of integrated assessment methodologies.

• ***MEA-WTO Relationship***

Strengthening the mutual supportiveness of trade and environment policies, rules and institutions is required to maximize their joint contribution to sustainable development. Understanding the relationship between multilateral environmental agreements (MEAs) and the WTO is a key aspect in building this mutual supportiveness at the multilateral

level. SIDS attach high priority to MEAs and have participated actively in MEA negotiations. Several SIDS have also participated in relevant WTO negotiations. There is, however, sometimes a lack of understanding between the policy makers active in

can assist SIDS in enhancing understanding of relevant trends in market access requirements and in promoting pro-active policies with a view to improving environmental performance as well as competitiveness.

Organic Agriculture and SIDS

A recent UNCTAD publication highlighted efforts underway in several SIDS to promote the use of organic agriculture and other EPPs, including in Saint Lucia to develop a national standard for organic agriculture, in Samoa to recover its market for bananas in New Zealand, especially through the production and export of organic bananas; in Fiji to alleviate problems in its sugar industry (in part due to the phasing out of preferential access to the EU market) by promoting high quality organic sugar, based on small-scale farming; in Mauritius to promote organic agriculture in the island of Rodrigues; and in Belize, Guyana, Suriname and Trinidad and Tobago to promote forest certification.

these two separate fields. The CBTF can help to bridge this gap by bringing policy makers together from both the trade and environment fields to discuss ways of ensuring that the MEAs and the WTO maximize their synergies and minimize areas of potential tension. In the past, the CBTF convened a number of workshops back-to-back with WTO regional training seminars where government representatives as well as representatives from the MEA and WTO Secretariats and other experts have been invited to discuss the interrelationship between the two fields.

• *Organic Agriculture and Environmentally Preferable Products (EPPs)*

Organic agriculture and other environmentally preferable products (EPPs) provide an opportunity to obtain environmental, trade and developmental benefits, including in the areas of poverty reduction and health. SIDS face serious problems of export competitiveness largely related to their small size. Preferential access to the markets of developed countries is of vital importance in assisting SIDS in overcoming such problems. Yet, the loss of preferential markets, in particular the export of sugar and bananas, has had severe consequences on island economies. In this context, the CBTF can support interested SIDS explore niche markets for value-added products, including EPPs such as organic agricultural products, certified timber and non-timber wood products, products based on traditional knowledge, and "Fair-Trade" products. The CBTF is currently initiating the implementation of three projects in East Africa, in cooperation with governments and national stakeholders, focused on building national capacities to assess the promotion of organic agriculture on food security, poverty reduction and trade diversification, as well as exploring the development of national policies, including in the area of national and regional standards.

• *Environmental Requirements, Market Access and Competitiveness*

SIDS often lack the technical infrastructure and expertise to implement new environmental and health-related standards and regulations to meet requirements in external markets and address domestic environmental problems. Certification issues are becoming particularly important in sectors such as food, fisheries and forestry. CBTF

• *Environmental Goods and Services*

Developing countries, including SIDS, may derive benefits from the liberalization of environmental goods and services (EGS), such as access to environmentally sound technologies and know-how, upgraded environmental infrastructure, more efficient resource management and improved environmental conditions. CBTF may assist interested SIDS in enhancing understanding of the sustainable development implications of liberalization in EGS, such as in the context of sustainable tourism development. Specifically, CBTF could assist SIDS in exploring opportunities to promote environmental services provided by ecosystems, such as serving as carbon sinks and biodiversity protection areas.

• *Sustainable Tourism*

Tourism continues to be a major foreign exchange earner for SIDS and sustainable tourism and tourism-related economic activity can play an important role in their sustainable development. At the Pre-UNCTAD XI High-Level International Meeting of Experts on Sustainable Tourism for Development (Portugal, March 2004), it was recommended that CBTF should be used as an important framework for promoting the development of sustainable tourism strategies, in cooperation with the World Tourism Organization. In this regard, particular emphasis should be placed on the rational use of natural resources, the diversification and enhancement of tourism products, responding to changes in international demand, and strengthening linkages between tourism and local products such as organic products and handicrafts. UNCTAD is currently preparing a training module on sustainable tourism development, which will also cover eco-tourism.

• *Energy Resources*

The majority of SIDS are heavily dependent on imported petroleum for their energy requirements. A reduction in imports based on increased energy efficiency and renewable energy generation could contribute to improving the economic situation in these countries. Many SIDS have renewable energy resources that could be developed and many countries are developing or have developed alternative energy sources. The CBTF could assist SIDS assess and develop energy policies and plans that support the use of renewable and alternative



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*Published by the
Economics and Trade Branch
DTIE UNEP and the Trade,
Environment Branch
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energy sources. UNEP recently published a report on Energy Subsidies: Lessons Learned in Assessing Their Impact and Designing Policy Reforms, which provides an overview of methodologies to evaluate the effects of energy subsidies and presents the findings of nine case studies from developed and developing countries.

• **Waste Management**

Waste management is a high priority for many developing countries, including SIDS, due to its impact on water quality and the environment. In fact, most countries lack effective waste management legislation, policies, plans and systems. The CBTF can assist these countries in assessing the effectiveness of current waste management policies and developing more sustainable policies. The CBTF, in cooperation with the secretariat of the Basel Convention, has supported developing countries in certain Latin American countries and SIDS in the Caribbean build their national technical, managerial and administrative capacity to enhance sustainable material/resources management, including the sound management of recoverable lead through the development of national and regional policies. The CBTF has also supported a project in Indonesia that concluded with the development of a proposal for introducing a national effluent charge to manage waste produced by the expanding pulp and paper industry.

• **Sustainable Management of Fisheries and Marine Resources**

Many SIDS rely heavily on fisheries and other marine resources as a major source of foreign exchange. The economic pressure to exploit these resources now threatens their sustainability. The CBTF can assist SIDS and other developing countries assess the environmental, social and economic impacts of fisheries policies and develop policy responses that promote the sustainable management of fisheries and marine resources. At a recent UNEP Workshop on Fisheries Subsidies and Sustainable Fisheries Management, participants emphasized that it was now critical to move from analysis to action.

• **Biodiversity and Traditional Knowledge**

Traditional knowledge, innovations and practices (TK) and access to genetic resources and equitable benefit sharing are important inter-related issues being discussed in several international forums, as well as at national and regional levels. Priority capacity building needs identified by developing countries include support for participating effectively in relevant international discussions and negotiations, including in the Convention on Biological Diversity (CBD), WTO, World Intellectual Property Organization (WIPO), United Nations Educational, Scientific and Cultural Organization

(UNESCO) and Food and Agriculture Organization (FAO), and designing coherent national and regional policies and strategies to preserve and protect TK and biodiversity, harness their potential for trade and development, and promote fair and equitable sharing of the benefits derived from TK. This would involve identification of successful approaches at the international level, exchanges of national experiences at the regional level, country case studies, and national multi-stakeholder dialogues. UNCTAD has recently published a book entitled Protecting and Promoting Traditional Knowledge: Systems, National Experiences and International Dimensions (UNCTAD, 2004), which provides a comprehensive overview of opportunities and constraints to the protection and promotion of TK.

• **Building Partnerships and Networks**

A key to the success of the CBTF has been its ability to build partnerships and work closely with other intergovernmental organizations, such as the WTO, World Bank, United Nations Development Programme (UNDP), FAO, United Nations Industrial Development Organization (UNIDO), the United Nations University (UNU), United Nations Institute for Training and Research (UNITAR), and regional UN economic commissions. The CBTF also coordinates its activities in consultation with governments, the private sector, non-governmental organisations, particularly from developing countries, and with regional and sub-regional organisations. Additionally, the CBTF promotes collaboration with national and regional institutions and has identified regional centres of excellence to assist in the implementation of CBTF activities.



This close cooperation also includes those institutions working directly with SIDS. The CBTF worked closely with the South Pacific Commission (SPC), the South Pacific Regional Environmental Programme (SPREP), the Pacific Islands Forum (PIF), the Forum Fisheries Agency (FFA) and World Wide Fund for Nature (WWF, South Pacific Office) in the organization of the workshop in Fiji. Likewise, the CBTF workshop in Jamaica was organized in cooperation with the Caribbean Community (CARICOM) Secretariat, the Caribbean Regional Negotiating Machinery (RNM), the Organization of Eastern Caribbean States (OECS), the Caribbean Development Bank (CDB), and the Economic Commission for Latin America and the Caribbean (ECLAC).

For further information on the CBTF and its activities, please visit the joint UNEP-UNCTAD CBTF website at <http://www.unep-unctad.org/cbtf/cbtf2/F1.htm>.