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*Capacity Building Task Force
on Trade, Environment and Development*

**Briefing on the
UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development
Activities for 2005**

6 July 2005 from 13:00 – 14:45

**Room XXVI in the E-building of Palais des Nations
Geneva, Switzerland**

The Secretariats of the United Nations Conference on Trade and Development (UNCTAD) and United Nations Environment Programme (UNEP) jointly organised a briefing for Geneva based missions, donors, Inter-governmental Organisations (IGOs), Non-governmental Organisations (NGOs) and delegates to the World Trade Organisation (WTO) Committee on Trade and Environment (CTE) to inform them of the activities of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) and to reflect on the successful cooperation between UNEP and UNCTAD. This briefing was convened on 6 July 2005 during the lunch break of the WTO CTE regular session to facilitate the participation of capital-based delegates in Geneva.

The briefing was attended by 120 delegates, including many CTE delegates from the capitals. A list of participants ([click](#)) is available on the CBTF website.

1. Introductory remarks

The UN agencies through their combined technical expertise continue to strengthen the capacities of developing countries to address issues at the interface of trade, environment and development, thanks to the generous support of donors. So far, donors have contributed a total of US\$2.5 million to the CBTF to carry out activities in response to government requests. During its first phase (2000-2003), the European Commission, the Governments of Germany, the Netherlands, Norway, Sweden, the United Kingdom and the United States provided financial support to allow CBTF to undertake country projects, thematic research and capacity building events. The following country/thematic research projects were completed in phase I and published reports are available with the CBTF secretariat.

- Sustainable Use of Natural Resources in the Context of Trade Liberalization and Export Growth in Indonesia: The Use of Economic Instruments in the Pulp and Paper Industry,
- Environmentally Sound Management of Used Lead Acid Batteries in Central America and the Caribbean, and
- Effects of Trade Liberalization on Agriculture in Lebanon, with Special Focus on Products Where Methyl Bromide is Used.

In the first phase, workshops focusing on the trade-environment-development interface were held in: Jamaica (Workshop on Trade, Environment and Sustainable Development for Caribbean Countries, November 2003); Cape Town (Workshop on Post-Doha Issues on Trade and

Environment, May 2003); Geneva (Briefing Session, UNEP-UNCTAD CBTF Phase II, February 2003); Fiji (Workshop on Post-Doha Issues on Trade and Environment, November 2002); Johannesburg (Side Event on Capacity Building in Trade and Sustainable Development at the WSSD, September 2002); Singapore (Workshop on Post-Doha Negotiating Issues on Trade and Environment in Paragraph 31, May 2002); Geneva (Brainstorming Session on Trade and Environment Issues of the Doha Ministerial Declaration, February 2002 and Workshop on Capacity Building on Environment, Trade and Development, March 2002), Brussels (Policy Dialogue on Promoting Production and Trading Opportunities for Organic Agricultural Products, February 2002); Hanoi and Havana (Trade, Environment and Development Training Workshops with Local Partners, December 2001); Brussels (CBTF Programme for LDCs, May 2001).

A second phase of CBTF activities has been launched in 2004 with the financial support of the European Commission and the United States. Activities in Phase II focus on three thematic areas: environmental goods and services (EGS), including research on environmental goods (EGs) of export interest to developing countries; trade in organic agricultural products; and the mutual supportiveness of environment and trade policies.

The synergies between UNEP and UNCTAD activities in the area of trade, environment and development have led to closer cooperation and more efficient use of resources. The collaboration of the CBTF goes beyond the normal level of cooperation that occurs between IGOs. The management team of the CBTF meets every month to ensure smooth and efficient implementation of the CBTF workplan.

2. Environmental Goods and Services

In order to contribute to the debate on EGs, UNEP-UNCTAD CBTF has carried out a number of capacity-building activities including: (i) national and regional capacity-building workshops, (ii) technical assistance, and (iii) analytical research.

The CBTF seeks to enhance understanding of the implications of liberalization of EGS for sustainable development, and help developing countries to identify EGS, including environmentally preferable products (EPPs), of special importance to their trade, environment and development objectives through capacity building events. Such events have been held in Angola (Sub-Regional Seminar on Trade, Environment and Development for Portuguese Speaking African Developing Countries, November 2004), Lima (Workshop on Negotiations on Environmental Goods and Services for the Andean Community Countries, April 2005) and Manila (Workshop on the Definition, Criteria, Issues and Identification of Environmental Goods, June 2005).

The National Stakeholder Workshop on the Definition, Criteria, Issues and Identification of Environmental Goods held in Manila, Philippines, 8-9 June 2005, aimed at discussing conceptual and practical issues of the current negotiations in the WTO and their implications and requirements for the Philippines. The Workshop also discussed a CBTF background note on the current trade patterns of environmental goods for the Philippines.

Another workshop on Negotiations on Environmental Goods and Services for the Andean Community Countries: Bolivia, Colombia, Ecuador, Peru and Venezuela, was held in Lima, Peru, 30-31 March 2005. The need to improve coordination and communication between policymakers in capitals and Geneva-based delegates was identified during the workshop. Two working groups, one on EGs and one on environmental services were created. They defined a program of action for future activities. A background paper for discussion on Environmental Goods and the ANDEAN Countries has also been prepared.

A regional capacity building seminar on Trade, Environment and Development was organised in Luanda, Angola, for Portuguese speaking African Countries in, Angola, 8-10 November 2004. The objective of the seminar was to raise awareness and further strengthen understanding of trade, environment and development linkages among Portuguese-speaking African countries. The seminar covered major issues relevant to the sustainable development of Portuguese-speaking African countries including; (i) ongoing negotiations related to the environment in the WTO Doha work programme, (ii) environmental requirements and market access, and (iii) opportunities and challenges in the area of trade, environment and development.

At the request of the Government of Jordan, CBTF sent an advisory mission to assist the Jordanian authorities concerned in assessing their interests in the negotiations conducted under the mandate provided for in paragraph 31(iii) of the Doha Ministerial Declaration and, in the process, familiarize them with the problems relating to product coverage, negotiating modalities as well as with the implementation issues handled by customs authorities.

CBTF intends to commission a study on the relationship between EGs and EPPs as part of an overall attempt to help capture the connection between EPPs and the EGs being proposed in the CTESS. The study would attempt to bring the EPPs discussion into focus with the environmental goods list discussion, without marginalizing either.

The CBTF is also focusing on multilateral environment agreements (MEAs), in particular how the negotiations on EGS can be framed to help implement MEAs and how MEAs' objectives can be achieved through trade. The CBTF has commissioned a paper on Negotiations on Environmental Goods and Services and MEAs Implementation. The paper will describe opportunities linking EGs to technology transfer and enhancement of national-level MEA implementation.

Findings of the recent CBTF study on 'Environmental Goods: Identifying Items of Export Interest to Developing Countries' were presented at the briefing. The paper identifies two types of EGs, 'Type A' which includes industrial goods used to provide environmental services to address pollution and waste affecting water, soil and air; and 'Type B' which are classified as EPPs and have environmentally preferable characteristics relative to substitute goods, i.e., are less detrimental to the environment during at least one stage of their lifecycle. The study concludes that developing countries have an important export surplus with developed countries in a number of groups of EGs, in particular EPPs, including manufactured apparel from natural cotton fibres, apparel manufactured from natural wool and silk fibre, wood and wood-based products, clean fuels and renewable energy, other Type A EGs, and the core list of EPPs. These groups of EGs account for 8 per cent of developing country exports, compared to only 2.8 per cent for those EGs on the OECD and APEC list.

3. Organic agriculture

Organic agriculture (OA) was identified as a theme of the CBTF following the outcome of several meetings, including: a policy dialogue in Brussels on Promoting Production and Trading Opportunities for Organic Agricultural Products, February 2002, where a request was made to CBTF to work on OA in Africa; and a workshop on Trade and Environment for Anglophone African Countries, in Cape Town, South Africa, May 2003.

The current initiative to promote production and trading opportunities for organic agricultural products in East Africa (Kenya, Tanzania and Uganda) has three main components: background studies, national integrated assessment (IA) projects, and regional cooperation. The background studies are being prepared by leading national and international consultants.

The IA projects are being undertaken by national teams involving a lead government ministry and a designated national institution from each country. These projects will analyse environmental, social and economic impacts of promoting production and trade of organic agricultural products. On the basis of the findings of the analysis the national team will propose policy options for the organic sector which are in line with the national goals of sustainable development and poverty reduction. The IA projects are country owned and managed and use a 'learning by doing' approach for national capacity building.

The regional component of the project complements the overall move towards cooperation, harmonization and integration in the region. It will encourage an exchange of national experiences and comparability between studies. The regional component will also explore the possible development of an East African Organic Agriculture Standard. This regional cooperation in the area of organic agriculture, in effect, will implement the work of the International Taskforce on Harmonization and Equivalence in Organic Agriculture (ITF) which is jointly convened by the FAO, IFOAM and UNCTAD.

The Ambassador of Uganda appreciated the project and stated that this was very timely. The Ambassador welcomed the regional approach but cautioned that the cost of certification should not become a burden to farmers.

4. Strengthening the Mutual Supportiveness of Environment and Trade Policies

The three key activities in this area are: regional and national capacity-building events; enhancing national capacities to assess wildlife trade policies; and supporting development, negotiation and implementation of MEAs and trade rules.

Regional and subregional capacity-building events have been held in Manila (Workshop on Post-Doha Trade and Environment Issues for Asia and the Pacific, June 2005) and Santo Domingo (Workshop on Post-Doha Trade and Environment Issues for African and Caribbean Countries, July 2005).

Under the second activity, enhancing national capacities to assess wildlife trade policies, a new project has been initiated with the objective of promoting sustainable development by enhancing the capacities of developing countries, and countries with economies in transition, to assess, design and implement sustainable national wildlife trade policies. The activities of this new project will fall under three phases: the development of a toolkit for wildlife trade policy assessment methodologies; a national assessment of environmental, economic and social impacts of wildlife trade policies, and the development and implementation of an integrated national policy action plan. The initiative will build national capacities through the implementation of four pilot country projects.

Under the third activity, a training workshop on enhancing policy coordination on trade and environment issues was held in Phnom Penh, Cambodia, 5-6 October 2004. The workshop focused on the implementation of MEAs containing trade-related measures, specifically, the Basel Convention, the Convention on International Trade in Endangered Species, the Montreal Protocol and the Convention on Biological Diversity and its Biosafety Protocol. Workshop participants highlighted a number of constraints facing Cambodia in the implementation of MEAs, and recommended a number of areas for future capacity-building activities related to trade and environment.

At the end of the briefing the CITES secretariat applauded and encouraged the CBTF work, which has been a staunch supporter of developing countries' understanding of environmental, trade and development issues.