

UNEP-UNCTAD Capacity Building Task Force (CBTF)

Symposium on Environmental Requirements and Market Access: Turning Challenges into Opportunities

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Good morning,

First of all I would like to thank the organisers for having invited me here today.

The theme of this symposium is fundamental. How can we ensure mutual supportiveness between trade, environment and development or "turning challenges into opportunities", as you rightly put it?

So what are the main challenges?

The first challenge is development. I am the first to recognise that there are differences in what consumers and producers in developing and developed countries expect from environmental standards. These differences may affect trade. However, we have a mutual interest for high standards. The protection of the environment is a common necessity and a common responsibility, which should be shared by all, because environment affects us all. Environmental measures are necessary to assume this responsibility.

We all know that, particularly developing countries, are concerned that high environmental requirements in developed countries may

reduce market access. To solve this apparent problem, some argue for a weakening of environmental requirements. We do not think however that such a race to the bottom can be the right answer.

Consumers, legitimately, look for products which correspond to their needs to protect their health and the environment. And governments have a responsibility to promote this. The private sector is itself increasingly a standard setter and voluntary environmental standards developed by private companies tend to become *de facto* mandatory as in the case of supply chain management or corporate social responsibility initiatives.

So, rather than engaging in endless discussions on the substance and merits of environmental requirements, it is more fruitful to address the process of developing and implementing those environmental requirements. How can we improve the mutual supportiveness of trade, environment and development, how can we minimize possible adverse effects on market access for developing countries, and how can we at the same time increase confidence and cooperation among us?

What are the opportunities?

Our own experience is that there are huge benefits growing from environmental requirements. They offer stable and predictable market opportunities in developed countries. A good example is the EU with over 450 million consumers, and enormous opportunities to exporters

deriving from the fact that uniform EU level regulations usually replaces 27 national legislations.

Production and promotion of environmentally preferable products (EPPs) or products based on traditional knowledge can in particular create new export opportunities for DCs. Voluntary instruments such as eco-labels or geographical indications can provide access to increasingly important niche markets in developed markets. There are many examples in the two specific areas covered by this symposium, organic agriculture and electric and electronic goods, in which exporters from DCs have seen their income increase after complying with new requirements and endorsing new standards.

How to turn challenges into opportunities?

The key of course is to improve our interaction with Developing Countries when developing and implementing new environmental requirements.

This is the approach that we have been following and which, I believe, has given positive results. Our decision making process includes the need for a comprehensive impact assessment procedure of all draft legislative proposals, and for minimum standards of consultation of all stakeholders, including in non EU-countries.

When, for example, we drafted the well-known regulation on Registration, Evaluation and Authorization of Chemicals, so-called REACH, we received over 6.000 contributions resulting in significant

amendments to the proposed legislation. Moreover, there was an “early notice” under the WTO Technical Barriers to Trade (TBT) Agreement informing the world about the upcoming internet consultation and to invite them to take part.

One of the concerns expressed by stakeholders is the sometimes relatively short timeframes of implementation of environmental requirements. Here, EU practice very often goes well beyond the WTO TBT Committee recommendation of 60 days.

Of course, turning challenges into opportunities usually requires investments. In the case for example of eco-labels, investment may be needed to ensure that production practices comply with certification standards. In general, the markets for the products concerned already exist, and producers need to link up with value chain operators marketing these products. Making use of geographical indications may also require investments, both to ensure that the recognition is obtained and to market the products as such. Our agenda in the on-going DDA negotiations, in particular regarding Geographical Indications, aims precisely at addressing this issue, creating the necessary conditions that will allow also many DCs to reap the full benefits of their investment.

The EU is the main provider of Technical Assistance and Capacity Building in the field of Trade and Environment. Among all trade related activities financed by the European Commission over the years

2001-2006 of a total of € 5,277 million, environment related projects accounted for approximately € 75 million.

We also provide a total of € 2.6 million over the period 2007-2010 to help producers in developing countries/regions comply with environmental requirements, including eco-labels and private certification schemes meeting internationally agreed standards.

Despite the importance of our efforts, there is of course room for improvement. Beneficiary countries for example should not forget to include the trade and environment aspects in their development assistance requests.

Helping DCs comply with new environmental requirements cannot be achieved only through traditional technical assistance and capacity-building. Involvement and contribution from the private sector, notably in the case of technology needs, is important. Public/private partnerships, stakeholder networks, corporate social responsibility initiatives and the like should be encouraged to allow for the emergence of new co-operative avenues among all stakeholders.

Only by understanding our respective concerns, whether environment, development or trade related, and addressing them effectively, will we be able achieve our shared objective of sustainable development.

Thank you.