

EXPERT MEETING ON ENVIRONMENTAL REQUIREMENTS AND INTERNATIONAL TRADE

Statement by UNCTAD at the Regular Session
of the Committee on Trade and Environment of 8 October 2002

Paragraph 32(i)

1. UNCTAD held an Expert Meeting on Environmental Requirements and International Trade from 2-4 October 2002 in Geneva. The meeting was attended by almost 100 experts from 60 countries and a dozen of international organizations.
2. A large number of developing countries submitted papers and presentations on their national and sector-specific experience in complying with environmental requirements in export markets. Experts focused their discussions on effects and opportunities of environmental (and health-related) requirements in five sectors: food and agricultural products, leather, textiles, certified forestry products and electronics. In addition, experts discussed the role of science in standard setting and trade diplomacy as well as the participation of developing countries in international standard setting bodies. Furthermore, effective mechanisms for improving communication between stakeholders and along supply chains were extensively discussed. A large part of the discussion reviewed pro-active adjustment strategies to environmental requirements in export markets for specific product groups in several developing countries and flagged the specific technical assistance and capacity-building needs as well as successful capacity-building projects to address specific constraints.
3. The Expert Meeting was preceded by an Inter-regional Consultative Meeting for a new UNCTAD/FIELD project building capacity for improved policy making and negotiations on key trade and environment issues, funded by the UK Department for International Development, which brought out market access in some specific product groups as one of the key issues for project implementation. The project involves three regions, i.e. Africa (Ethiopia, Kenya, Mozambique, United Republic of Tanzania, Uganda and Zambia), Central America (Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama) and South-East Asia (Bangladesh, Cambodia, China, Philippines, Thailand and Vietnam).
4. The Chairman's Summary¹ will be submitted to the next session of UNCTAD's Commission on International Trade in Goods and Services, and Commodities in early February 2003 for consideration. The main points raised by experts can be summarized as follows.
5. First, developing countries need support for:

¹ The Chairman's summary (TD/B/COM.1/EM.19/L.1) as well as a large number of country papers and presentations are available at www.unctad.org/trade_env/test1/meetings.

- (a) Raising awareness among producers, particularly small and medium sized enterprises (SMEs), of existing and upcoming standards and getting feedback from them on the impact of requirements upon their costs and profitability;
- (b) Informed participation in standard setting bodies related to products of particular export interest;
- (c) Institutional and infra-structural capacity building; and
- (d) Training of company managers to assist in compliance using simple tools like checklists.

6. Second, according to the experts, efforts should be made to reduce the costs of conformity assessment and certification, including by building cost effective infrastructure, for example through group certification, creation and accreditation of national and regional certifying bodies and accreditation of laboratories.

7. Third, as adjustment to standards is particularly difficult for SMEs, some experts felt that extended adjustment periods for developing countries, especially for SMEs, should be considered by standard-setting countries especially in cases, where higher standards than internationally recognized ones were used and when such standards were not pressing for health reasons. This could be linked to technical assistance, especially by OECD countries.

8. Fourth, to address information gaps in developing countries, experts made the following recommendations:

- (a) Setting up information clearing houses for voluntary standards, labels and buyers' requirements;
- (b) Notification of environmental requirements to the WTO at an early stage of development, including within the Code of Good Practices; and
- (c) Early warning systems of impending legislation at international, regional and national levels.

9. Fifth, experts saw the need for developing best practice in setting and implementing environmental regulations and standards. This could include the following:

- (a) Increased transparency (e.g. what is the science behind a standard, how is the standard applied, what are conformity assessment procedures, which are the accrediting bodies);
- (b) Prior consultation with key trading partners, particularly in the early stages of development of national standards;
- (c) Enhanced flexibility;
- (d) Anticipation of problems and provision of adjustment assistance;
- (e) Taking account of specific constraints and conditions in developing countries; and
- (f) Promotion of effective participation of developing countries in international standard setting processes.

10. Finally, according to experts, bilateral and multilateral assistance for capacity building and technical assistance to developing countries would generally be necessary when introducing new environmental requirements. Multilateral and bilateral funding agencies need to prioritize this issue in their technical assistance activities and earmark more funds to it. Assistance should also be provided for the development of institutions and certification agencies in exporting countries that could assist exporting firms in complying with environmental requirements in export markets.
