

## Committee on Trade and Environment

### UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP) ACTIVITIES ON ENVIRONMENT AND TRADE

#### Communication from UNEP

1. UNEP's Environment and Trade Programme aims to improve countries' understanding of the interlinkages and complementarities between trade, environment and development. The Programme forms the basis for activities on environment and trade by UNEP's Economics and Trade Unit (UNEP/ETU).
2. The Programme comprises four integrated and complementary activities:
  - A. **Capacity building** to enhance countries' capacities to develop mutually supportive trade-environment policies;
  - B. **Research** on major issues in the trade-environment domain and on practical approaches to sustainably address them;
  - C. **Consensus building** through awareness raising, consultations and policy dialogue to seek out areas of shared perception and approach among major stakeholders on trade-environment issues; and
  - D. **Partnerships** to build synergies and complementarities with other organizations working in the trade-environment domain.

#### SUMMARY OF PROGRAMME ACTIVITIES

3. A brief description of Programme activities with selected projects and initiatives is provided below.

##### A. CAPACITY BUILDING

4. UNEP works closely with Governments, particularly those of developing countries and countries with economies in transition, to assist them in their efforts to enhance their institutional and human capacities for integrating environmental considerations in development planning and decision making. Emphasis is placed on a practical learning-by-doing, rather than a learning-by-showing, approach.

##### UNEP country studies

5. Six country studies on trade liberalization, environment and economic instruments were implemented under the first round of UNEP's 'Capacity Building for Integrating Environmental Considerations into Development Planning and Decision-Making Project'.

6. Over the past two years, UNEP has worked with national institutions and Governments in Bangladesh, Chile, India, the Philippines, Romania and Uganda on comprehensive projects to assess the impacts of trade liberalization on natural and environmental resources and to develop policy packages to sustainably manage these impacts. Studies encompassed new action-oriented research on unique trade-related environmental problems and their developmental and economic implications in diverse sectors – the forestry, mining, fisheries, manufacturing, and water sectors – and varied country settings.

7. These studies were entirely country-driven – conceived, designed and conducted by national teams of practitioners – making them among the first of their kind. Moreover, projects involved multi-stakeholder participation to accurately identify the dynamics involved in environmental degradation, and to develop innovative and widely acceptable national response strategies.

8. Each study concluded by recommending a set of practical measures – comprising command-and-control regulations, economic instruments and voluntary initiatives designed to meet national conditions – that aim to reduce trade-related environmental degradation, and in turn, ensure that the country's trade remains sustainable over the long-term.

9. UNEP country studies do not end with published reports; the final component of each country study involves a pilot implementation of proposed measures undertaken by local and national authorities in collaboration with each study's national team and with technical assistance from UNEP. All six country studies, and a synthesis report summarizing their main results and conclusions, have recently been published and are available from UNEP/ETU and from its website <http://www.unep.ch/etu>. In December 1999, UNEP convened an international meeting of trade-environment experts, from governmental and non-governmental organizations, to review results and lessons learned from the first round of studies. Based on recommendations from the meeting and substantial demand from countries for additional studies, UNEP is launching a second round of country studies on trade liberalization and the environment. Interested institutions can submit proposals for prospective studies for the second round to UNEP/ETU.

### **UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development**

10. Efforts to enhance countries' capacity to deal with trade-environment-development issues are critical to the sustainable management of globalization. For this reason, UNEP and UNCTAD are initiating a joint capacity building task force to strengthen the capacities of countries, particularly developing countries and countries with economies in transition, to effectively address trade-environment-development issues at the national level and to participate effectively in trade-environment-development deliberations at the international level.

11. The UNEP-UNCTAD Capacity Building Task Force (CBTF) has been conceived to combine the unique strengths of UNEP to build capacities on environmental aspects of trade, and of UNCTAD to build capacities on the development aspects of trade. By enhancing synergies between UNEP and UNCTAD, and drawing on the two organisations' technical expertise and comparative advantages, the CBTF will more efficiently make resources available to a wider range of beneficiaries.

12. Through research, training and country studies, the CBTF will seek to enhance countries' appreciation of the sustainable development benefits that accrue when environmental considerations are integrated into national economic and trade policies. Through research and policy dialogue, it will also aim to raise countries' awareness of the need to ensure that international environmental and trade policy regimes remain mutually supportive and consistent, with each other, and with countries' national sustainable development objectives.

13. A briefing session for the Geneva missions was held on 17 March 2000 to present the CBTF to Governments and obtain their views on how it can be best implemented to meet their interests, needs and concerns.

**B. RESEARCH**

14. UNEP/ETU is currently working on many different research projects. Some major efforts include:

**A manual on criteria for integrated assessments of trade policies and agreements**

15. UNEP is preparing a manual for the assessment of trade agreements and trade liberalization policies. Using a simplified checklist approach, the manual will help negotiators, policy makers and practitioners to assess trade agreements and policies against widely accepted sustainable development criteria. By enhancing decision makers' understanding of potential environmental impacts – and related developmental and economic implications – of trade policies and agreements, the manual aims to facilitate the negotiation, formulation and implementation of trade policies and agreements. Among the sectors covered by the manual are agriculture, services, textiles and fisheries. The manual, currently in preparation, will be reviewed by relevant institutions and experts before its completion in 2000. A first expert meeting took place last December in Geneva where a preliminary draft version of the manual was presented and discussed. Following that discussion, the text has been internally reviewed. Another review meeting took place in March in Quito, Ecuador.

**Paper on the implementation of the precautionary approach/principle**

16. This paper explores the role of the precautionary approach/principle in international and national environmental law-making, and its implications for issues related to trade and environment. The first draft of the paper was distributed to Geneva missions and was discussed at a peer review meeting organized by UNEP/ETU in June 1999. The second draft of the paper, which incorporates views and comments expressed by Governments, will be circulated in April 2000 for another review before its finalization.

**C. CONSENSUS BUILDING**

17. Consensus building activities of UNEP's Environment and Trade Programme seek to bring experts and decision makers together in informal and unofficial dialogue to raise awareness and enhance understanding of issues so that options to carry forward the trade-environment agenda may be identified and explored. These activities take place in the form of conferences, workshops and roundtable consultations and policy dialogues.

**Workshop on MEAs and the WTO**

18. On 29 June 1999, UNEP convened its first in a series of informal workshop with the Secretariats of UNEP-Administered Conventions and the Secretariat of the WTO. Over twenty participants from intergovernmental and non-governmental organizations informally shared views on how coherence between multilateral environmental and trade agreements could be improved. The meeting sought to enhance understanding between the Secretariats of UNEP-Administered Conventions and the WTO of their respective underlying principles and institutional and operational arrangements and allowed secretariat officials informally to exchange views and discuss areas of mutual interest. Recognizing the historically separate development of the trade and MEA regimes, participants discussed how these regimes might be made more compatible and mutually supportive in the future.

19. At the eighth session of the Commission on Sustainable Development, which will be held on 24 April – 5 May 2000, UNEP is organizing a side-event on the relationship between MEAs and the WTO Agreements. The meeting will address a range of issues including compliance, enforcement and dispute settlement.

D. PARTNERSHIPS

20. There is a need to ensure proper coordination and collaboration between international organizations, including non-governmental organizations, working in the trade-environment domain. UNEP thus seeks to build synergies and complementarities with other organizations active in this area.

**UNEP collaboration with the WTO**

21. Following the press conference held in Seattle by the Executive-Director of UNEP and the Director-General of the WTO on enhanced cooperation between the UNEP and WTO Secretariats, UNEP would like to reconfirm its willingness to cooperate more intensively with the WTO Secretariat on trade and environment issues.

**UNEP collaboration with UNCTAD**

22. UNEP and UNCTAD have been actively cooperating in the trade-environment field under a Memorandum of Understanding signed in July 1997. This collaboration has focused on convening joint expert meetings, undertaking joint studies, and managing the implementation of country-based projects. UNEP and UNCTAD look forward to increasing their cooperation and coordination in the trade-environment-development field through the UNEP-UNCTAD Capacity Building Task Force (see section A above).

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