



Commonwealth Consultative Group on Environment

Nairobi, Kenya, 7 February 2001

Agenda Item 4

CCGE(01)3

Outcomes and Recommendations of a Commonwealth Workshop on Trade and Sustainable Development

Note by the Commonwealth Secretariat

Executive Summary

1. The Commonwealth Workshop on Trade and Sustainable Development (Sundridge Park, 20-22 January 2001) brought together trade and environment officials from 18 Commonwealth countries to explore areas of common concern, and examine the institutional and skills requirements for addressing trade and sustainable development issues effectively. Key recommendations of the meeting included further collaborative work in the following areas:

- improving understanding of the linkages between trade and sustainable development;
- developing approaches to policy integration and methodologies for trade and production impact assessment;
- strengthening capacity (technical, legal, administrative) for the above, at the national and regional level;
- developing the role of government in supporting the private sector in its initiatives towards sustainable trade;
- addressing market access concerns through improved dialogue, promoting adherence to the multilateral trading system rules, and developing effective approaches to the application of sanitary and phytosanitary measures and other technical barriers to trade;
- information and networking support to strengthen negotiating positions;
- promoting affordable access to environmentally sound technology; and
- strengthening the role of multilateral environmental agreements in addressing trade and environment concerns.

2. The event was a good example of how the Commonwealth can promote dialogue on environmental concerns where consensus has been hard to reach. Ministers will note from paper CCGE(01)2, that the Commonwealth is well placed to take forward a number of these recommendations through its own programmes, and through collaboration with other institutions.

Introduction

3. In February 2000, the Commonwealth Secretariat held an informal meeting with Commonwealth Ministers and officials in New York to examine the Commonwealth's strategic role on international sustainable development concerns. It was felt that the Commonwealth, through its consultative processes and technical work, could help to promote constructive dialogue on outstanding issues in the run-up to 'Rio+10'. As a contribution to this process, the United Kingdom offered to support a workshop on trade and sustainable development for Commonwealth trade and environment officials.

Objectives and Participation

4. The Commonwealth Workshop on Trade and Sustainable Development took place at Sundridge Park (UK) from 20-22 January 2001. The event was organised and supported by the Economic Affairs Division of the Commonwealth Secretariat, the UK Department for Environment Transport and the Regions (DETR), and the Trade and Investment Access Facility (TIAF). The workshop had three key aims:

- to contribute towards greater international consensus on approaches to trade and sustainable development issues;
- to explore areas of common concern between Commonwealth member states in these areas, where there may be scope for collective work; and
- to examine the institutional and skills requirements for addressing concerns on trade and sustainable development effectively at the national, regional and international levels.

5. With over 60 participants, the workshop brought together trade and environment officials from 18 countries¹, and a group of international experts and staff from key multilateral institutions in the field. An event of this size enabled all regions and broad types of economy in the Commonwealth to be represented. At the same time, it provided an informal setting that promoted a free exchange of views and experiences. The event was a good example of how the Commonwealth can promote international dialogue, and explore areas of common interest between Commonwealth countries, in areas where consensus has been difficult to find. Ministers may wish to consider if there are other issues that would benefit from this treatment.

6. Participants examined the relationship between trade, trade liberalisation and sustainable development, and shared experiences in the use of tools for assessing the impacts of trade, and trade policies. They looked at the role of the private sector, both in developed and developing countries, in promoting the sustainable trade agenda, and discussed market access issues that their countries experienced as a result of the application of measures related to environment, health and phytosanitary concerns. The workshop reviewed approaches to policy integration at the national level in the area of trade and sustainable development, including in preparation for multilateral

¹ Antigua and Barbuda, Australia, Bangladesh, Canada, Ghana, India, Jamaica, Kenya, Malaysia, Mauritius, Nigeria, Papua New Guinea, Saint Lucia, Samoa, South Africa, Tanzania, Tonga, United Kingdom.

negotiations, and examined the respective roles of the World Trade Organisation and Multilateral Environmental Agreements in addressing trade and sustainable development concerns at the international level.

Key Conclusions and Recommendations

7. The workshop identified a number of common concerns, which could be addressed through further collaborative work between Commonwealth countries and multilateral institutions.

Common Concerns

8. *Policy Integration.* A constant theme throughout the workshop was the importance of strengthening the co-ordination and integration of policy formulation, both within government across Ministries, and in consultation with the private sector and civil society groups. As there appeared to be a significant potential for development and poverty alleviation from trade liberalisation, it was critical that policies be put in place to safeguard the environment and address social impacts, if this growth was to lead to sustainable development. Participants suggested a pro-active approach in addressing this challenge, and recognised that assessment tools could provide valuable insights on environmental and distributional impacts of trade and effective policy responses. It was critical, however, that the assessment process was country-led and involved all stakeholders both within and outside government. A learning-by-doing approach to capacity building in the area of assessment and policy integration was widely advocated.

9. *Market Access.* Through a discussion of USA stipulations on the use of turtle exclusion mechanisms in shrimp fisheries in Malaysia, the Caribbean and Australia, countries highlighted the need to promote adherence to the rules of the multilateral trading system and WTO dispute panel rulings. The experience of Canadian and Ghanaian timber industries highlighted some common concerns about the need for predictable and workable standards for certification, which would need to be addressed in collaboration with the private sector and NGOs. A key concern was the application of sanitary and phytosanitary (SPS) measures and other standards. Participants highlighted the need to: avoid setting standards in an arbitrary, or inappropriate way; give countries all the necessary information and time to adjust to changes; negotiate with supplying countries in advance of new SPS measures being imposed to avoid unnecessary damage to exports. Improved consultation and information exchange between countries was needed so that disputes could be avoided wherever possible, and mutually acceptable approaches agreed.

10. *Government and the Private Sector.* On trade and sustainable development issues, participants recognised that the market place was moving rapidly ahead of the policy framework, and that initiatives by civil society and corporations were filling the policy vacuum. Companies in developed and developing countries were promoting the move to sustainable trade, either through market demand from consumers for premium products (as in the case of organic products), or as part of a risk management strategy to protect their brands. However, there was no guarantee that this process was comprehensive. It sometimes appeared that governments and business were pursuing separate agendas on the trade and sustainable development interface. More communication was needed to ensure that the two processes are complementary. The role of government needed to be identified, especially with respect to developing regulatory environments and integrated policy packages that supported sustainable development initiatives. Specific aspects

included promoting strategic investment capacity, supporting the participation of small and medium-size enterprises, broadening take-up of initiatives, information brokering and education, and exploring voluntary, country-led, measures.

Recommendations on Capacity Building

11. *National and Regional Capacity.* Further work was required to take forward the issues identified above, at both the national and regional level. The capacity of regional institutions to address trade and sustainable development issues needed to be strengthened. Some countries needed assistance in building basic administrative capacity, especially through access to information technology and Internet services.

12. *Negotiations and Agreements.* Work was required to strengthen capacities in articulating fully integrated negotiating positions, and meeting obligations under MEAs and the WTO. More regular interface was required between countries to forge consensus and strengthen positions. Negotiating skills and co-ordinating mechanisms needed to be developed. Participants proposed a meeting of Commonwealth Trade Ministers, which would discuss environment issues. Multilateral environmental agreements needed to be strengthened to enable trade and environment concerns to be addressed effectively at the international level without becoming unnecessary barriers to trade. Improved mediation procedures on disputes related to trade and sustainable development were also required.

13. *Briefing, Analysis and Research.* Countries required timely briefing and analysis in specific areas to support negotiations related to trade and sustainable development agenda. Collaboration between Commonwealth universities, policy institutes and other institutions was suggested as a way of promoting the development of skills, and analysis. Basic environmental and trade data were required in a number of countries.

14. *Technology Transfer.* Affordable access to new environmentally sound technologies was a key theme. Proposals included the establishment of a clean technology database and a trust fund to facilitate technology transfer.

15. *Information Support.* A major need was access to timely and relevant information, both in support of policy integration and negotiations. Countries required 'road maps' to good information sources, synthesis of the research and experiences to date, dissemination of best practice on sustainable production methods, and collation of lessons learned.