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ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

Report of Working Group 3: Agriculture, Trade and Sustainable Development

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1. What are the key interconnections between trade policy and sustainable agriculture that policy makers will have to address?

Trade liberalization of itself will not ensure sustainable development. UNEP and other organizations working on this policy interface should help countries determine what would make agricultural trade liberalization in their country sustainable.

Food Security

Increased market access does not guarantee that countries will be able to resolve their agricultural problems, particularly with respect to food security. The opening of markets leads to changes in the goods produced with basic products being replaced by export products, leading to an increase in exports without necessarily an increase in the production of basic products. It is essential to develop greater financial support for domestic production in order to encourage production by small producers of basic products and at the same time promote an environmentally friendly economy. One way of doing this could be through introducing allowable export duties and using them to promote domestic and small-scale producers.

Subsidies

Agriculture is highly subsidised, particularly in developed countries. Besides resulting in distortions of world prices and global trade flows, these subsidies have a negative environmental impact. There has been a lot of discussion about pollution havens and this has often focused on developing countries that have less stringent environmental standards and difficulties in implementing environmental legislation. However, this is not necessarily the case, these situations arise more frequently in developed countries, for example United States with its corn and tomatoes within FTAA. For the most part, these situations result from, or are fostered by subsidies. Both because of their distorting effects and their negative impact on the environment, developed countries should reduce export subsidies and internal support in order to facilitate developing countries' effective participation in the multilateral trade system.

One of the major problems with regard to market access is the phasing out of tariffs. Developed countries have to promote policies that reduce tariff escalation, as this undermines developing countries' efforts to give added value to their products. Another relationship requiring close study is the link between market access and the environment. While production of some crops, such as sugar, tobacco and cotton have a significant impact on the environment, it is important to ensure that overly stringent environmental standards are not used as an impediment to market access for such agricultural products in developed country markets.

Access to clean technology

One of the major problems facing developing countries is access to new technologies and particularly clean technologies. In general, these countries are customers for new technology rather than being inventors or creators of technology. Apart from the cost of acquiring new technology there are other implications such as the mix of factors they require – whether they be

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capital or labour intensive. In the past, the acquisition of new technology by developing countries entailed using resources that they lacked rather than taking advantage of those resources that they possessed in abundance. This makes processes more expensive in the long term, causing those countries to become more dependent on developed countries or on external debt. Other issues related to technology include inputs (domestic or imported), who controls them, their cost, etc. Given this situation, research and funds should be allocated to promoting and strengthening home grown technologies.

Rural Development and Multi-functionality

Multilateral and bilateral trade relationships create both winners and losers. The questions that arise are: (1) what programmes should be put in place to re-deploy those producers, who are displaced; and (2) how will the transition be financed? Social packages need to be developed to ensure that the changes in production patterns due to trade liberalization have minimal social costs. For instance, some participants thought that funds should be allocated under each bilateral and regional trade agreement for training, relocation and re-orientation of farmers impacted or displaced by the trade agreement.

Special support should also be given to organic farming since it opens up new niche markets, allows alternative and sustainable production mechanisms to develop, and gives priority to the small and medium-sized producers. In order to enhance rural development, efforts should be directed at institutional development in support of the agricultural sector and the production of basic products. Particular emphasis should be given to credit and funding programmes as well as to making new technologies more accessible to these producers.

2. Capacity Building needs

Immediate and long-term needs

The issue of capacity building was considered in terms of stakeholder participation. Since, broadly speaking, the general public does not have the expertise nor the necessary information in a timely way, means must be found to ensure that they have access to information about the negotiations taking place. This will improve the quality of the participation in the negotiation process. Emphasis was also placed on the importance of initiatives and programmes that enhance the capacities of NGOs since they play an important role in ensuring follow-up on trade negotiations and thus publicising the progress and results of negotiations and promoting public awareness. The capacities of these institutions and that of government trade negotiators need to be enhanced to be able to follow the various trade negotiations that are taking place simultaneously at the multilateral, regional and bilateral levels. Countries also stated that they need a better idea of the speed at which they should join the various agreements and trade blocs given the consequences of doing so e.g. with regard to displacement of farmers, problems of market access etc.

With respect to the negotiations in the hemisphere relating to FTAA, it is now important to find how to include, in the FTAA assistance programme, support to improve the consultation process within countries so as to ensure public involvement. Given the limited public involvement and the position of LAC countries on environmental issues, it is probable that NGOs from the United States and the US Congress will set the agenda on environmental issues within FTAA. Hence the importance, once again, of developing the capacity within those countries to create an indigenous LAC environmental agenda.

For the small economies within FTAA, the following three areas were suggested for enhanced capacity building:

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- Short and long-term capacities. In general, these countries have few negotiators who at times are not well versed in the negotiations and are subject to a high turn-over of human resources. It is therefore important to enhance the negotiating capabilities of the negotiators and boost institutional capacities with regard to the negotiations.
- Medium-term capacities. For the most part, these countries do not have specialised bodies responsible for managing the various agreements that the countries negotiate. The means have to be found to ensure that these agreements are properly implemented.
- Long-term capacity building to enhance the benefits of liberalisation. This could include skills related to: improved competitiveness, market access; and ways to take advantage of new market opportunities and operationalize special and differential treatment provisions under the various WTO agreements, including the Agreement on Agriculture.

Other Long-term measures

Environmental Impact Assessment

Although the importance of national environmental impact studies is recognised, emphasis should be given to regional and multilateral assessments since they can capture impacts and effects that national ones cannot. Also, efforts should be made to involve civil society in the environmental impact assessments through institutions that can participate in the assessment itself or in the consultation process leading up to and during the assessment.

Efforts should also be made to define and stimulate sustainable agriculture. Agricultural production is based on natural resources including water, soil, biodiversity and fertilizers. This leads to the depletion of resources, with consequences that must be avoided if sustainable development is to be achieved. In addition, there is the problem of external debt that affects the resources of many LAC countries. It generates pressure to export natural resources in order to honour loan repayments. *Ex ante* studies are needed to allow governments to monitor the use of these resources and ensure that they are exploited in a sustainable way. UNEP can play a very important role in this regard.

There is also need for agricultural extension services for developing countries such as those which exist in developed countries. In addition, some participants felt that agriculture ministries need education on refocusing technology from solely increasing production to increasing revenue (given the current commodity crisis).

On numerous occasions an apparent conflict of interest emerges between regional entities and national interests and goals. Countries try to negotiate on a bilateral basis in order to maintain greater control over both the process and development funds. This tends to compromise regional efforts and, in the long run, the individual interests of countries may undermine the integration process that in principle should enhance the negotiating capacity and development of the member countries. This calls for strengthening of regional institutions to deal with these challenges.

3. How to Ensure Capacity Building:

Capacity building should be seen as a mix of long-term policies and measures at all levels (economic, social, environmental etc.) It should also be tied in with other social processes and with entities such as local government, and with the democratic processes. It also requires involvement of civil society and enhancing institutional capacity on issues such as human resources and the use of economic instruments. In order to achieve a better understanding of the problems and achieve long-term solutions, efforts should be made to develop well-resourced databases and information systems for informed and improved decision-making.

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When undertaking capacity-building and ensuring adequate popular participation, it should be borne in mind that democracy takes different forms in each of these countries. In some it is more entrenched, mature and open than in others. This has to be taken into account in order to ensure that participation is effective and not just a formality.

How can these programmes and policies be funded? A list should be drawn up of all the institutions that are active in capacity building before donors are contacted. Here, each country's legislative body can play an important role because these bodies approve the budgets and national legislation. Benefits must not be allowed to go only to big companies, but efforts must also be made to take into account the needs of small and medium-sized producers.

In preparing the criteria for funding for capacity building, links should be made between various elements to support the funding proposals, such as the relationship between amounts spent on regional integration and rates of growth in trade. It is clear that the needs are great while the resources are scarce and limited. However, it is also clear that this is not the only issue. An understanding of the problem and knowledge of how to deal with it is also important. Similarly, it is not always a matter of enormous sums of money. In many cases modest amounts can be very beneficial if they are brought to bear in the right place in a timely way.

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