

Meeting Summary

Integrated Assessment of Trade-Related Policies and Biological Diversity in the Agriculture Sector

LAUNCH MEETING
15 July 2005

Overview

On 15 July 2005, the United Nations Environment Programme's Economics and Trade Branch (UNEP-ETB), in collaboration with the Secretariat of the Convention on Biological Diversity (CBD), convened the Launch Meeting for a major initiative on integrated assessment (IA) of trade-related policies and biodiversity in the agriculture sector. Approximately 25 representatives from NGOs, academic institutions, and international and regional organizations discussed the implementation of this four-year initiative, which is being funded by the European Commission. At the core of the initiative, six African, Caribbean and Pacific (ACP group) countries will assess the relationships between biodiversity and trade-related and other policies impacting the agricultural sector. Participants discussed the development of an overall IA framework, which national institutions in the six countries will customize and apply. Special emphasis was given to the development of indicators to measure biodiversity impacts. As well as developing the framework, participants discussed criteria for selecting country projects, and suggested various agricultural sectors for the focus of these projects. Additional meeting documents, including a background document and copies of the presentations, are available on the UNEP-ETB website (www.unep.ch/etb). A summary of the discussion is provided below.

Opening and Background

Hussein Abaza, Chief of UNEP-ETB, welcomed the contributions of participants, which, he stated, would be essential to the effectiveness of the initiative. He provided a brief background of UNEP-ETB and its approach to IA, which has consisted of 27 country-led projects, since 1997, assessing the impacts of trade-related policies, and formulating policy recommendations. He described how UNEP's country-based approach, aimed at developing national capacities, had expanded its focus to consider not only the environmental aspects of trade liberalization but the social and economics dimensions as well; the term "Integrated Assessment" refers to the inclusion of these aspects. Throughout these projects, UNEP-ETB has established methodologies for undertaking IAs. Abaza said this joint endeavour between the CBD and UNEP-ETB on IA will add biodiversity indicators to ETB's past work on assessment frameworks. He also noted the importance of supporting poverty reduction and market success; increasing cooperation between the environmental and economic sectors; and considering broader policies than trade alone. He concluded by emphasizing that the projects should bring institutional change, increase dialogue between ministries and build national capacities. He called for attendees to form an International Steering Committee to guide the initiative and ensure that UNEP-ETB builds on previous experience and best practices developed by experts in the relevant fields.

Benjamin Simmons, UNEP-ETB, provided an overview of the ETB's specific initiative on IA of the trade-related policies and biodiversity in the agricultural sector. He introduced the overall objective of the initiative: to build capacity in developing countries to assess the environmental, social and economic impacts of policies on the agricultural sector, with an emphasis on biodiversity. Specific objectives he presented included developing and applying an IA framework, identifying opportunities provided by biodiversity to income generation and poverty reduction, implementing a national response to the outcomes of the assessment, and informing ACP countries in their negotiation of the EU-ACP Economic Partnership Agreements (EPAs). He added that the outcome would hopefully inform negotiators at the

upcoming Ministerial Conference in Hong Kong. He also noted that ETB experienced difficulties in assessing the impacts on biodiversity in the previous assessment projects due to a lack of pertinent biodiversity indicators.

Simmons described the steps and procedures in the 4-year project: in the first year, a general assessment framework will be developed, including biodiversity indicators. This framework will build upon efforts of UNEP-ETB and other institutions undertaking similar projects. The second and third year will consist of country studies in which ministries and national policy research institutions recommended by the governments will apply the IA methodologies. In the fourth year, national project partners will develop and implement national policy response action plans. He stated that this emphasis on implementation is new for UNEP-ETB. He also summarized prospective outcomes: strengthened implementation of the CBD; further development of indicators for agricultural biodiversity; strengthened capacity for coordination and harmonization of biodiversity, trade and development objectives at the national and international level; and implementation of policies which enhance positive effects and mitigate negative effects of biodiversity from trade-related and other policies impacting the agricultural sector.

Markus Lehmann, CBD Secretariat, provided an overview of the CBD, which has as its objectives the conservation of biological diversity; the sustainable use of its components; and the fair and equitable sharing of benefits arising out of the utilization of genetic resources. Parties also committed themselves to achieve by 2010 a significant reduction in the current rate of loss of biodiversity, and adopted a framework of goals, targets, and associated indicators to assess progress towards the 2010 target. He explained that the UNEP-ETB initiative is welcome and timely as it responds to several CBD provisions and decisions of the Conference of the Parties. He referred in particular to the repeated interest expressed by the Conference of the Parties to study the impacts of trade liberalization on agricultural biodiversity. Responding to this request, the CBD Secretariat, *inter alia*, produced a report analysing to what extent agricultural biodiversity is captured in existing assessment frameworks. The report, he stated, concluded that more work is needed; specifically, the report noted that there is a need for indicators, better data and data compatibility, and more conceptual guidance on the relationships between trade, agriculture and biological diversity.

In concluding, Lehmann recommended that the UNEP-ETB initiative should: utilize the CBD's broad definition of agricultural biodiversity, which includes all components relevant to the agro-ecosystem; recognize the multi-faceted nature of the agriculture-trade-biodiversity relationship; identify impact channels and associated indicators; and recognise that biodiversity impacts often depend on farming practices, which can be influenced by policies.

In response to the opening presentations, several participants suggested that integration of results into national policies will be a core challenge. To facilitate this integration, projects need to align themselves with existing national priorities rather than imposing new ideas.

Institutional Experiences with Impact Assessment and Biodiversity

Jo Treweek, International Association for Impact Assessment (IAIA), presented principles for best practice in biodiversity and impact assessment, and principles for assessing biodiversity impacts of trade. IAIA's Capacity Building in Biodiversity and Impact Assessment (CBBIA) project, for which she is Technical Programme Manager, aims to develop and promote impact assessment as an effective instrument for addressing biodiversity considerations in decisionmaking and execution of projects and policies. To serve this objective, she stated that IAIA is working with a number of partners to develop a network of trained professionals; capacity-building activities; guidance on biodiversity-inclusive Environmental Impact Assessments (EIAs) and Strategic Environmental Assessments (SEAs); and case-study material based on country experience. She outlined IAIA's approaches to establishing biodiversity

indicators, threats and responses, and also stated that species listing and designation procedures lag behind rates of loss.

Treweek's presentation stimulated further discussion on the definition of biodiversity to be used in the UNEP-ETB initiative. The participants concluded that a broad definition, which takes into account all ecosystem and species impacts, will be the best approach.

Kaveh Zahedi, UNEP-World Conservation Monitoring Centre (UNEP-WCMC), presented UNEP-WCMC's experience with biodiversity assessment and indicators. He introduced the mission of UNEP-WCMC: to put authoritative biodiversity knowledge at the centre of decision-making. The Centre's work and expertise focuses on data, indicators and assessments, policy and capacity building. Key programmes he outlined include the development of 2010 biodiversity indicators, Protected Areas (including housing the World Database on Protected Areas), and the Living Planet Index in collaboration with WWF. He said that UNEP-WCMC has also undertaken projects on Biodiversity Threats and Trends in Europe and Biodiversity Indicators for National Use and created an online resource whereby users can create their own assessment and cross-compilations (<http://www.unep-wcmc.org/>). UNEP-WCMC tries to coordinate the many groups working worldwide on biodiversity indicators, and bring indicators to a coherent whole. WCMC, Zahedi clarified, does not prescribe policies but suggests policy options. Zahedi recommended that much could be learned from the existing assessment methodologies used for UNEP-WCMC biodiversity information series, the Atlases and the UNEP GEO reports at the national, regional and global levels.

Responses focused on the use and availability of data. A participant pointed out that, considering its availability, countries' stated difficulty with locating data is puzzling. **Zahedi** responded that the difficulty lies in locating where data is housed. Participants observed that national data is often too aggregate and sub-national data is not aggregate enough. Also, participants pointed out the difficulty in relating data to policy implementation and formulation: ministries only need representative and useful data, and become bogged down. A participant suggested that UNEP-ETB consult the Red List Index by IUCN, and the Review of Target 9 (MDG 7) indicators, in formulating the assessment framework.

Leslie Lipper, Food and Agriculture Organization of the United Nations (FAO), presented FAO's work related to assessment and agricultural biodiversity. She stated that FAO collaborates with the CBD on indicators, in particular ongoing assessments of different components of agro-biodiversity. In addition, she presented an assessment FAO is currently undertaking, on the impacts of diversity in seed supply on agricultural biodiversity and farm welfare. This project, she said, aims to provide policy insights on seed conservation by assessing the impact of biodiversity in seeds on biodiversity in agriculture. As part of this initiative, she stated that FAO is identifying incentives for producers to maintain or increase biodiversity, and is creating an index of "genetic services" to show why different seeds are used. She also clarified that, while FAO assesses tradeoffs between private and public values of different crops, it leaves the weighing of one over the other to policymakers. Lipper stated that the FAO project assesses how existing markets impact choice of seeds and genetic diversity. As UNEP-ETB's initiative will identify how policies impact markets at the national level, Lipper views these two initiatives as being mutually supportive.

Fulai Sheng, UNEP-ETB, presented the history of UNEP-ETB's IA projects, focusing on the most recent, ongoing round of country projects, known as Integrated Assessment and Planning (IAP), which involve 10 countries. He outlined the IAP projects, which are not solely focused on trade policies: they include, *inter alia*, assessing impacts of highway construction through the Amazon (Brazil), and assessing the environmental management plan of Ministry for Agriculture and its contributions to agricultural production (Chile). In September, there will be a meeting on the preliminary results of these country studies. Sheng highlighted the importance of involvement of industry, whose powerful role cannot be

ignored. In addition, he observed that often, there is no lack of experience at the national level: UNEP's role is to facilitate a national-level push to collect these experiences, and conduct appropriate studies.

Participants suggested that, to use time most effectively, an IA framework from earlier studies could be used. UNEP commented that integrating biodiversity indicators is a new step. Participants noted that the core team should be multidisciplinary in order to produce a multi-sectoral assessment framework. On data, it was noted that, through focusing on research and identification, UNEP-ETB can make use of existing data. This approach will have the added benefit of building government capacities to identify and use data correctly in policy analysis. In response to a question about the effectiveness of the IA projects, UNEP-ETB stated that an independent "assessment" of UNEP-ETB assessments had been undertaken, which concluded that the level of success in integrating policy recommendations was mixed. Governments took on a process of communication between different stakeholders in some cases but not others. As a key to success, UNEP-ETB has learned the importance of involving multiple stakeholders and national institutions from the beginning of project implementation.

National and Regional Experiences with Impact Assessment and Biodiversity

Professor Anthony Clayton of the Sir Arthur Lewis Institute for Social and Economic Studies at the University of the West Indies presented his experiences with sustainable development in Jamaica. He noted that while policy commitments in Jamaica were generally adequate, institutional fragmentation and failure to implement the policies was a pervasive problem. He suggested that Ministers would not necessarily act in the national interest or deliver optimal solutions; the desire to be re-elected or promoted may induce them to focus on high profile rather than practical projects. He noted that policy incoherence was a significant cause of environmental policy failure. He also noted that 'environment' has been the junior half of a number of different ministries over the past decade, and that conflicts had arisen on several occasions within the same ministry. He outlined the situation of the sugar industry, which now generates less than 1% of Jamaica's GDP, and survives only as a result of EU market preferences. The EU trade preferences have failed as an aid to development, as they encourage countries to stay in industries in which they are not competitive. As a result, the ACP share of EU markets has fallen sharply, and there is no evidence for diversification out of uncompetitive commodities. He outlined the new EU goal of fostering smooth and gradual integration of ACP states into competitive markets to enhance their production, supply and trading capacities as well as their capacity to attract investment.

Cornelius Kazoora, Director of the Sustainable Development Centre, Uganda, provided perspectives on IA based upon case studies in East Africa. Challenges he encountered during these studies included establishing causal links between trade-related policies and impacts on biodiversity; moving beyond site-specific evidence; and capturing distributional gains in agriculture (i.e. urban vs. rural). He broke down the linked phases of an IA strategy as follows: preparation and planning, assessment, implementation, and finally monitoring. Kazoora outlined recommendations which included selecting multi-disciplinary personnel; training the team members in the use of the tools; identifying relevant data; making a list of relevant stakeholders; making a plan for cost-effective consultative process; planning the dissemination and "housing" of likely recommendations for implementation; identifying the audience to be addressed; planning advocacy tools; and exploring the use of the media and press.

Participants responded that it is necessary to orient the national teams on the concept of IAs, and convince them of its benefits. UNEP-ETB's expertise on IAs result from experiences gained from countries.

Implementing the UNEP-ETB Initiative – Next Steps

Alberto Longo, Department of Economics and International Development, University of Bath, presented approaches to environmental economics and valuation, which will be integrated into the initiative. He

stated that assigning economic value provides an opportunity to advise policymakers, encourages its inclusion in cost-benefit analysis and IA, and clarifies the market value of policies, which protect biodiversity. He presented types of value that biodiversity possesses, which include “use values” and “non-use values,” i.e., the value of preservation. Longo outlined techniques for valuation of biodiversity, including market-based and non-market based techniques. He stated that valuation is undertaken by identifying the scenario, policies and indicators; identifying whose welfare is affected; clearly defining the object of valuation; and then choosing the most appropriate methodology. He concluded that there is a need to value changes in the level of biodiversity in order to inform policymakers; and that such exercises should be carried out ex-ante if possible, as it may be impossible to return to the previous ecosystem levels once policies have taken effect.

Some participants questioned whether quantifying “non-use values” of biodiversity are actually helpful in achieving biodiversity conservation. One participant noted that UNEP-ETB need to increase its media visibility in general and with respect to this initiative. Participants agreed that media is crucial to raise awareness and activate stakeholders.

Finally, the participants suggested criteria for identifying which agricultural sectors to focus the study on, including whether:

- changes in production of the sector will lead to biodiversity loss or damage;
- the sector represents a major share of GDP;
- the sector has a high employment or nutritional value;
- biodiversity in the sector represents a market opportunity;
- data and analyses of the sector currently exist; and
- the sector impacts a group of countries.

In addition, the participants identified criteria for identifying which ACP countries the initiative should focus on, including whether:

- there is government commitment;
- there is a credible national institutional partner;
- the country or region is highly-impacted by trade liberalization
- data and analysis currently exist; and
- the country represents a biodiversity hot-spot

Abaza concluded the meeting by stating that UNEP-ETB will begin assessing relevant sectors and countries/regions based on the criteria identified by the participants. In addition, he noted that UNEP-ETB is committed to involving the participants in the Launch Meeting in the process of formulating the assessment framework and biodiversity indicators, and will hold another meeting later this year or early in 2006 to review the progress of this framework.