



CARNEGIE ENDOWMENT
for International Peace

Annotated Agenda

**Workshop on Capacity Building on Environment, Trade and Development
16 July 2002, Washington, DC
Rayburn House Office Building**

Tuesday, 16 July, Room B-354

➤ **08:00-8:30 Registration**

➤ **8:30-10:00**

Session I: Opening of the Meeting

- J.C. Watts, Jr., United States Congressman
- Grant Aldonas, Under Secretary of International Trade, US Department of Commerce
- John Audley, Senior Associate and Director, Trade, Environment and Development Project, Carnegie Endowment
- Hussein Abaza, Chief, Economics and Trade Branch, UNEP
- René Vossenaar, Chief, Trade, Environment and Development Section, UNCTAD
- Jan-Eirik Sorensen, Director, Trade and Environment Division, WTO

➤ **10:00-11:00**

Session II: Country perspectives

Representatives of national institutions providing their experience and national perspectives on the successes, gaps and capacity building needs

- Alfredo Azpúrua, Second Secretary, Permanent Mission of Venezuela
- Mavis Campbell, International Trade Specialist, Ministry of Agriculture, Jamaica
- Representative of the Government of Pakistan (**to be confirmed**)

Discussion: Capacity building gaps and needs

➤ **11:00-12:00**

Session III: Regional perspectives

Representatives of regional and sub regional institutions providing their perspectives on the successes, gaps and capacity building needs

- Peter Tarr, Executive Director, Southern African Institute for Environmental Assessment, Namibia
- Eliécer Vargas, Professor, Social and Environmental Economics, CATIE, Costa Rica
- Debapriya Bhattacharya, Executive Director, Center for Policy Dialogue, Bangladesh
- Abdoulaye Sene, Director, Institut des Sciences de l'Environnement, Senegal

Discussion: Capacity building gaps and needs

➤ **12:00-13:00**

Session IV: Service Provider perspectives

Commentaries by representatives of donor agencies

- Jean-Roger Mercier, Lead Specialist, Environmentally and Socially Sustainable Development, World Bank
- USAID
- Federico Bonaglia, External Cooperation and Policy Dialogue, OECD
- Integrated Framework (World Bank, IMF, ITC, UNCTAD)

Discussion: Ways to enhance the effectiveness of capacity building programmes

➤ **13:00-14:00**

Lunch

➤ **14:00-15:00**

Session V: Next steps, conclusions, recommendations and concluding remarks

Annotation I
Session I (Tuesday, 16 July, 8:30am-10:00)

Objectives of the Workshop

1. *Broad assessment of developing country priorities in response to trade-related environment and development policy and capacity building;*
2. *Improve understanding of the strengths and weaknesses of recent technical assistance and capacity building efforts and identification of areas where the scope, effectiveness, consistency, coordination and follow-up of activities can be improved;*
3. *Enhance awareness among North American organizations of the need to strengthen regional and national capacities to develop and implement mutually-supportive environment, trade and development policies;*
4. *Target efforts by North American organizations to better assist beneficiary countries address environment, trade and development issues;*
5. *Mainstream technical assistance and capacity building considerations in the international economic and trade policy positions of North American governments;*
6. *Enhance appreciation by North American organizations of developing country trade-environment capabilities and needs, from which better informed negotiations and more effective international cooperation can be realized;*
7. *Develop a network of North American partners to cooperate inter alia with UNEP, UNCTAD and the WTO in the delivery of capacity building activities in developing countries.*

Background

There has been increasing recognition, particularly during the last decade, of the importance of capacity building for developing countries and countries with economies in transition to address the challenges of sustainable development. The urgent need for capacity building on trade and environment was further highlighted at the Fourth Session of the WTO Ministerial Conference (Doha, November 2001) where delegates from 144 countries agreed on an agenda for a new round of WTO negotiations.

Future negotiations will, for the first time, cover a range of trade-related environmental issues, both as stand-alone negotiating objectives, and as integrated into other negotiating objectives. Ministers reaffirmed their commitment to sustainable development and mutually supportive trade and environment policies and stressed the “importance of technical assistance and capacity building in the field of trade and environment to developing countries”. In this context, the decision by governments to launch a new round of WTO negotiations on trade-related environment and development issues further underscores the need for dynamic, structured, effective, and well coordinated capacity building programmes reflecting beneficiary countries’ current, emerging and long-term needs.

Although national and international policymaking that integrates environment, trade and development considerations is a relatively new discipline, primarily emerging only during the past decade, a considerable offering of capacity building services in this area has been made by intergovernmental and nongovernmental organizations in recent years. However, despite these efforts, capacity building services have neither been adequate nor yielded desired outcomes. This is mainly due to misconceptions about what represents a useful and effective capacity building package. At the international level, neither a common understanding of, nor agreement on, capacity building requirements in the area of environment, trade and development has been established. Moreover, most service providers have not coordinated their programmes inter-alia to ensure a consistent, cost-effective long-term approach to capacity building. They have also

failed to sufficiently integrate regional, sub-regional, nongovernmental and national institutions into their programmes' needs assessments, design and delivery.

Too often, capacity building programmes have been conceived without due consideration to the specific requirements, needs and conditions of beneficiary countries. In most cases, services have been, and continue to be delivered in an uncoordinated ad-hoc basis by different institutions. The scope and depth of programmes have been mostly limited to the delivery of fragmented, simplistic training packages, and the convening of seminars and workshops to discuss general conceptual issues. Moreover, most activities within programmes have been one-off exercises, without linkages inter-alia and lacking related follow-up, evaluation and ongoing needs assessment to respond to emerging needs and priorities for integrated policy development and implementation.

If developing countries and countries with economies in transition are to reap maximum benefits from integrating into the multilateral trading system they must develop mutually supportive environment, trade and development policies, and effectively implement them. Capacity building efforts must advance beyond currently adopted approaches to achieve this goal, and be clearly defined and extended to meet immediate and long-term country needs for:

- Country-specific capacity building projects;
- Action-oriented research by national experts focused on specific priority areas;
- Subsequent regional and international policy dialogue allowing countries to exchange results and experiences of their projects and research.

It should also be recognised that, to date, the provision of capacity building services has hinged on a flow of such services from North to South and West to East, without encouraging the active involvement of regional, sub-regional and national organisations in their design and delivery. This has entailed lost opportunities for enhancing South-South cooperation. Future capacity building activities should thus explore new delivery options based on active collaboration between multilateral, regional, sub-regional and national institutions.

In the follow-up to Doha, as governments seek to develop a more effective approach to environment, trade and development capacity building, there is a need to evaluate recent capacity building activities and to identify gaps where the process, scope, coordination and follow-up of activities can be improved. Capacity building programmes should promote good governance, transparency and accountability by encouraging broad public participation and engaging stakeholders from government, the private sector, national institutions, local communities and NGOs in national policy assessment, development and implementation. Design and implementation of programmes should be based on national needs assessments and engage the full range of stakeholders in beneficiary countries.

Finally, funding in recent years for environment, trade and development capacity building has been unpredictable. Current levels fall far short of meeting the growing demand for capacity building services. Developing modalities to ensure adequate and sustained funding for capacity building remains an urgent priority.

To improve international coordination, cooperation and integration of capacity-building activities in the field of trade, environment and development, UNEP has partnered with Multilateral Environmental Agreements (MEAs), UNCTAD and the WTO on a number of initiatives. Since June 1999, UNEP has facilitated the "MEA-WTO process," wherein the secretariats of UNEP, MEAs and the WTO worked together to identify concrete areas of collaboration to enhance synergies between the trade and environment regimes. Moreover, in the year 2000, UNEP and UNCTAD established the Capacity Building Task Force (CBTF) to build capacities of countries on trade, environment and development.

To further promote international cooperation for capacity building on this important interface, UNEP, in collaboration with the WTO, organized a workshop on Capacity Building on Trade, Environment and Development in Geneva in March 2002. The workshop provided an open forum for over 200 participants, including representative from 82 governments, 22 intergovernmental organisations, 4 MEAs and 27 NGOs, to assess emerging needs and reassess current approaches to capacity building.

One of the main outcomes of the workshop was a need to develop a long-term, coordinated capacity-building programme on environment, trade and development based on regional priorities. In order to achieve this, UNEP in collaboration with UNCTAD and the WTO Secretariats, will be convening a series of regional workshops. These workshops will engage governments, regional and sub-regional institutions in the different regions to identify regional priorities. This Workshop is the first regional workshop in this series.

At the upcoming World Summit on Sustainable Development (WSSD) in Johannesburg in August 2002, UNCTAD and UNEP will be convening a side event on capacity building on environment, trade and development. This side event will further inform delegates of progress made on the trade and environment capacity building front and solicit feedback from government representative as well as representatives of other intergovernmental, non governmental organization on how to further enhance the effectiveness of capacity building efforts worldwide.

Annotations II & III
Sessions II & III (Tuesday, July 16, 10:00am-12:00)
Country and Regional Perspectives

The purpose of this session is to build a better understanding of the environment, trade and development capacity building needs of developing countries and countries with economies in transition. Doing this involves defining the objectives of capacity building as well as identifying process- and issue-oriented gaps and needs.

Experiences of beneficiaries

Improving the effectiveness of capacity building must start with a critique of processes adopted in the past. Reasons for their failure or limited success can point to steps that can be taken to restructure the capacity building process and expand the scope of topics covered by programmes and activities for greater effectiveness in the future.

Starting off this session, national and regional representatives of beneficiaries of capacity building efforts will comment on their experiences with environment, trade and development capacity building. They will discuss strengths and weaknesses of previous capacity building experiences and identify gaps in capacity building efforts – i.e., short- and long-term needs – that remain to be addressed.

Commentaries will be followed by an open discussion on environment, trade and development capacity building gaps and needs.

DISCUSSION: CAPACITY BUILDING GAPS AND NEEDS

POINTS FOR DISCUSSION:

□ ***DO THE OBJECTIVES OF CAPACITY BUILDING PROGRAMMES MEET BENEFICIARY NEEDS?***

A capacity building service furnished by a provider to a beneficiary should provide the latter with assistance to enhance national capacity to address environment, trade and development issues of national interest. Typical objectives of capacity building programmes in the field of environment, trade and development are to enhance governments' capacities to:

- Raise awareness and understanding about the linkages between environment, trade and development.
- Enhance understanding of the implications (environmental, economic and social) of trade liberalisation, and formulate and implement policies that can maximise the net sustainable development gains of trade.
- Capture environment-related development opportunities offered by trade and globalisation.
- Engage effectively in trade and environment negotiations.

The provider and beneficiary should agree on the objectives of a proposed capacity building programme or activity before any decision for cooperation on its implementation.

Is the process adopted in capacity building programmes appropriate?

The capacity building process – i.e., how programmes are designed, delivered and followed-up – ultimately determines its effectiveness:

- Are programmes country-driven, based on national needs assessments?

- Do programmes comprise intensive and participative country-based activities aimed at human resource development and institution building needed to support countries' immediate and long-term objectives?
- Do programmes offer complementary and mutually supportive activities?
- Are durable long-term partnerships between service providers and beneficiaries established to ensure follow-up assistance is available as needed?
- Do programmes' delivery mechanisms involve active cooperation with relevant regional, sub-regional and national institutions?
- Do service providers adequately coordinate their programmes and activities to avoid gaps, prevent redundancies and ensure continuity?

Do the activities of capacity building programmes build needed capacities?

If developing countries and countries with economies in transition are to reap maximum benefits from integrating into the multilateral trading system they must develop mutually supportive environment, trade and development policies, and effectively implement them. To support their efforts, capacity building activities must extend beyond awareness raising seminars and formal training to practical 'learning-by-doing' activities where experience in policy assessment, development and implementation is gained.

Is the scope of capacity building programmes broad enough to cover needs?

In broad terms, effective capacity building must enhance national capacities to address the sustainable development challenges of trade liberalisation; and to fully capture international opportunities for sustainable development offered by globalisation and supported by multilateral agreements. Do capacity building programmes provide assistance in specific areas required to further these objectives? Is there a need to develop capacity building programmes of extended scope – i.e., in-depth treatment of a broader set of topics?

► How can capacity building efforts conducted by different organisations be better coordinated to achieve complementarities and avoid duplication?

The discussions at the March workshop indicate that beneficiaries feel that there is a great deal of overlap between capacity building efforts of service providers. In this context, it may be appropriate to focus on the intersection between the WTO's trade and environment agenda and the responsibilities mandated by member countries to other international organizations and agreements.

Annotation IV
Session IV (Tuesday, 16 July, 12:00am-13:00)
Service Provider Perspectives

This session seeks to define the challenges and requirements for more effective environment, trade and development capacity building with a view towards identifying actions that service providers and beneficiaries can take to improve capacity building programmes.

Experiences of service providers

Enhancing the effectiveness of capacity building requires that service providers build on successes of their previous efforts. It also requires they appreciate the shortcomings of their capacity building programmes and are prepared to address them. Starting off this session, representatives of organisations providing environment, trade and development capacity building services will comment on the strengths and weaknesses of their programmes and outline ways that they can address programme gaps and deficiencies. Commentaries will be followed by an open discussion on ways to enhance the effectiveness of environment, trade and development capacity building programmes.

DISCUSSION: WAYS TO ENHANCE THE EFFECTIVENESS OF CAPACITY BUILDING PROGRAMMES

POINTS FOR DISCUSSION:

□ ***PROVIDING ASSISTANCE THROUGHOUT THE POLICY CYCLE***

Capacity building continues to mean different things to different providers and beneficiaries alike. There is a need to establish a common understanding of capacity building. A capacity building service furnished by a provider to a beneficiary should provide the latter with assistance to enhance national capacity to address environment, trade and development issues of national priority. Beneficiaries should be assisted to develop programmes that are comprehensive, sustainable and meet national needs and priorities.

It is useful to consider capacity building within the context of a complete policy cycle: assessment (of existing policies) → identification → development → implementation → assessment and evaluation (of new/reformed policies). Programmes should aim to assist the beneficiary country in addressing each element of the policy cycle, rather than only within one or a subset of elements. Programmes should be complete in the sense that a full policy cycle can be catalysed and subsequently sustained following the termination of programme activities.

□ ***DEFINING THE OBJECTIVES OF CAPACITY BUILDING***

Beneficiary countries should take the lead in defining the objectives of national and regional capacity building programmes in the field of environment, trade and development. In order to meet these objectives, they should also decide upon tools of implementation, national institutions to be involved, and funding requirements, both national and external.

Designing the capacity building process

Several aspects of the capacity building process should be evaluated when assessing and restructuring capacity building programmes:

- *Structure* – Does the programme encompass needs assessment, design, delivery and follow-up?
- *Needs assessment* – Are topics and issues addressed by capacity building programmes of national interest? Do they reflect national concerns and priorities? Are they treated within

the context of the beneficiary country, or in a general way that countries themselves need to translate into national terms? Needs assessment is critical to programme design.

- Objectives – Are clear programme objectives set and evaluated? Who sets these objectives? For which elements of the policy cycle is assistance provided?
- Endogenous vs. exogenous process – Is the capacity building process country driven, i.e., actively pursued by national stakeholders based on their interests, and advanced based on their evolving capabilities, or is it driven by the objectives of the service provider?
- Mode of learning – Is learning advanced primarily through learning-by-doing or through learning-by-showing?
- Types of activities – What kinds of activities are employed in the programme, for example: formal training, on-the-job training, policy development, seminars, projects, research?
- Complementarity of activities – are activities linked and mutually reinforcing?
- Multi-stakeholder participation – What is the level of involvement of national stakeholders, institutions and experts? Are regional and sub-regional partners included in programme activities? Broad stakeholder participation promotes good governance, transparency and accountability. A participatory process benefits from stakeholder ownership of national policy assessment, design and implementation while helping to establish a dispersed ‘threshold’ of in-country capacity needed to replicate this process in the future.
- Delivery – Do national, sub-regional and regional institutions participate?
- Coordination – Is the programme coordinated at the national and international levels with other programmes and efforts?
- Timeframe – Is the programme run for a long enough period to initiate a process of continuous, endogenous capacity building which extends significantly beyond the time frame of the service provider's activities?
- Follow-up – Are long-term partnerships between the provider and beneficiary formed? Is programme effectiveness evaluated? Are additional activities implemented as needed to meet unattained objectives?
- Financing – Is there a sufficient and predictable commitment to fund the programme?

Any systematic examination of the process characterizing recent capacity building efforts should evaluate each of these, as well as other, aspects.

Employing a wide set of activities in capacity building

Capacity building activities should be extended to meet short- and long-term country needs. National needs assessment workshops should identify beneficiary needs, priorities and target groups and define a process for implementation of activities, through:

- Action-oriented research by national experts focused on specific priority areas.
- Country projects – i.e., country-based, sector-specific policy assessment, development and implementation activities incorporating national stakeholder consultation and founded on a national learning by doing approach to capacity development.
- Subsequent regional and international policy dialogue allowing countries to exchange results and experiences of their projects and research.

Over time, undertaking complementary activities in addition to awareness raising seminars and training, provides for a more integrated approach for capacity building, where each component activity can feed into and reinforce subsequent ones (within and between beneficiary countries).

Ensuring the topical scope of capacity building programmes covers needs

There is a need to develop capacity building programmes of extended scope – i.e., in-depth treatment of a broader set of topics. Based on regional and country-based needs assessments,

results from UNEP's survey, and discussions at the March workshop, the following is a preliminary listing of important topics should be covered by capacity building programmes:

- Integrated assessment of trade and trade-related policies.
- Addressing the implications (environmental, economic and social) of trade liberalisation.
- Natural resource valuation and accounting.
- Approaches and measures for the development and implementation of mutually supportive trade and environment policies.
- Enhancing market access for exports through compliance with international health and environmental product standards.
- Developing national systems for the management of traditional knowledge.
- Adaptation and use of environmentally sound technologies (ESTs) to promote sustainable development and capture market access opportunities for exports of environmentally preferable products (EPPs).
- Poverty, trade and environment.
- Building national capacities for the negotiation of MEAs and the WTO agreements, and to enhance synergies between them inter-alia.
- Building national capacities for the negotiation of WTO Agreements with environmental implications:
 - The relationship between existing WTO rules and specific trade obligations set out in MEAs.
 - TRIPS, environment and traditional knowledge.
 - Environmental measures and market access for developing countries.
 - Integrated assessments of trade liberalisation.
 - Environmental goods and services.
 - Fisheries subsidies.
 - Agriculture and environment.

The above is a preliminary listing of important topics to be covered by environment, trade and development capacity building programmes and, is meant to provide an illustrative set of areas where capacity building assistance is needed. Needs assessments would certainly identify others.