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ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

Report of the Workshop for Country Representatives on Integrated Assessment of Trade-Related Policies and Biological Diversity in the Agricultural Sector

30 May 2006
Geneva, Switzerland

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Table of Contents

Executive Summary

- I. Background of the Workshop
- II. Objectives and Structure of the Workshop for Country Representatives
- III. Summary of Presentations, Group Work and Discussions
 1. Overview of the Initiative
 2. Introduction to Integrated Assessment
 3. UNEP's Past Experiences with Integrated Assessment Projects
 4. Introduction to the Conceptual Framework of an Integrated Assessment
 5. Results of Group Work on Linkages between Trade, Agriculture and Biodiversity
 6. Introduction to the Analytical Process of an Integrated Assessment
 7. Organisational Aspects of the Country Projects
 8. Summary of Next Steps

Annexes

- (1) Agenda of the Workshop
- (2) Participants List

I. Background of the Workshop

Since July 2005, UNEP's Economics and Trade Branch (ETB) has been involved in a four-year Initiative on Integrated Assessment (IA) of Trade-Related Policies and Biological Diversity in the Agricultural Sector.¹ This initiative aims to enhance government and institutional capacity in developing countries to assess the economic, environmental and social impact of trade liberalization in the agricultural sector. In addition, the project seeks to support the development of policy recommendations that maximize sustainable development gains from trade liberalization in the agriculture sector while safeguarding biodiversity in support of the implementation of the Convention on Biological Diversity (CBD). Two main sets of activities form the core of the UNEP project: (1) development of a Trade and Biodiversity Reference Manual, and (2) implementation of six pilot assessment studies in Africa, the Caribbean and the Pacific (ACP). The first stage of the UNEP project was launched in July 2005 at the First Steering Committee Meeting and currently a first draft of the Reference Manual is being finalised with the support of the UNEP-World Conservation Monitoring Centre (UNEP-WCMC) and the Secretariat of the CBD. To reflect on the progress that the initiative has made in the first year, discuss the draft Reference Manual, and launch the initiative's next steps, UNEP-ETB convened three meetings on 30 and 31 July 2006: (1) a workshop for country representatives, (2) an expert working group on the draft Reference Manual, and (3) the Second International Steering Committee Meeting.

II. Objectives and Structure of the Workshop for Country Representatives

The workshop brought together a select group of representatives from governments, including Cuba (Ministry of Science, Environment and Technology), East Timor (Geneva based Permanent Mission), Fiji (Ministry of Foreign Affairs & External Trade), Jamaica (Ministry of Local Government and Environment), Madagascar (Ministre de l'Agriculture, le l'Eleavage et de la Pêche), Mauritius (Ministry of Agro-Industry), and Uganda (National Environment Management Authority). A national research institute from Papua New Guinea (National Agricultural Research Institute) also participated in the workshop. The objective of the workshop was to introduce the initiative to the countries, and provide them with enough information on the main elements of an integrated assessment so that they would be able to explain the main features of the projects to their colleagues and initiate the immediate next steps for country project development.

In preparation of the workshop the countries were asked to fill a questionnaire addressing questions related to assessment, trade, agriculture, biodiversity and the institutional setting in the country. The workshop was a combination of presentations, discussions and group work on various aspects of IA including an introduction on basic concepts, UNEP's past experiences in this field, and related analytical and organizational processes. The group work on the linkages between trade, agriculture, and biodiversity provided the participants with an opportunity to discuss specific situations related to trade and agriculture in their region. The workshop ended with a discussion of the next steps for developing the IA projects in the countries.

The diversity of backgrounds, experiences and understanding that were brought together in the workshop, involving various government ministries from all ACP regions, created interesting discussions addressing issues from different points of view.

¹ For more information see: <http://www.unep.ch/etb/areas/biodivAgriSector.php>.

III. Summary of Presentations, Group Work and Discussions

1. Overview of the Initiative

Hussein Abaza, Chief of UNEP-ETB, welcomed participants and provided a brief introduction to the project and UNEP's approach towards IA, which aims at considering not only the environmental aspects of trade liberalization but also the social and economics dimensions. One central objective of applying IA is to analyse how environment can support poverty reduction and other sustainable development objectives. A comprehensive view will be taken in implementing this project, which includes taking account of other assessment processes already being developed in participating countries. Country representatives were encouraged to provide suggestions during the meetings for implementing this initiative.

Benjamin Simmons, UNEP-ETB, provided an overview of the initiative on IA of trade-related policies and biodiversity in the agricultural sector. He briefed the participants on the background and history of the initiative and introduced the overall objectives: (1) to support ACP countries in promoting sustainable development, poverty reduction and biodiversity conservation objectives and (2) to enhance capacities in those countries to assess and implement agricultural trade-related policies that further these national objectives. Specific objectives of the initiative include enhancing capacities to develop and implement integrated national responses to the outcomes of the assessments, supporting implementation of the CBD, and enabling ACP countries to integrate the sustainable management of biodiversity in their negotiation of the EU-ACP Economic Partnership Agreements (EPAs).

Major activities to be conducted within the four-year initiative include the refinement of a Reference Manual, which will provide guidance for countries undertaking the assessment. This Manual will be a working document throughout the initiative and adapted during implementation of the pilot country projects taking account of experiences and results in conducting the IA studies. In the second and third year pilot country projects in six ACP countries will be implemented. Subject to successful completion of the assessment, participating governments and institutions will develop national policy responses in the fourth year and an international workshop will be convened back-to-back with CBD COP-9 to disseminate results of the initiative. Currently, the initiative is moving to year two by starting the selection process of countries interested in implementing a country project. Expected outcomes of the initiative include strengthened implementation of the CBD, further elaboration of agricultural biodiversity assessment methodologies and indicators, and the implementation of policies that enhance positive effects and mitigate negative effects for biodiversity from trade-related agricultural policies.

In relation to the Reference Manual, participants suggested that the document should be a practical users' guide. In addition, participants highlighted the challenge of conducting an ex-ante IA of a negotiation process, which involves many uncertainties.

2. Introduction to Integrated Assessment

Vera Weick, UNEP-ETB, led the main discussion on IA with country representatives. She introduced the possible linkages between trade and agricultural policies and potential environmental, social and economic impacts, with a focus on biodiversity. She encouraged countries to think about how IA would be useful for them, and how it could help identify the effects of policies and agreements on national sustainable development goals. The need to focus on a policy or agreement was highlighted to effectively assess a country situation, along with setting parameters on the project's scope, including region, sector (or commodity), timeframe, and feasibility of implementation. For the purpose of this project, IA would be used to analyse the cross-sector impacts of trade liberalisation agreements and trade measures on biodiversity. Therefore, IA requires the inclusion of interdisciplinary consultations

between policymakers and experts at the national level. An overview of the main elements of integrated assessment was given (to be further discussed in the course of the workshop):

- (1) The conceptual framework that highlights main linkages among trade, agriculture and biodiversity;
- (2) The analytical process involving the development of indicators, scenario-building and policy recommendations; and
- (3) The organisational process that addresses the practical steps of conducting such an assessment at the national level.

In the discussion, country representatives had the opportunity to share their experiences using different national policies to address biodiversity issues. Concern was expressed about the degree to which the assessment would be comprehensive and integrated and the risk of being too complex drawing all kinds of possible linkages between sectors. Vera stressed the importance of maintaining a balance between concrete focuses and the need for considering various influences on the development of a sector.

3. UNEP's Past Experiences with Integrated Assessment Projects

Cristina Gucco, UNEP-ETB, provided an overview of UNEP's past experiences with IA. She reviewed the reason for the development of integrated assessment, referring to international calls for action in the WSSD Plan of Implementation paragraph 97, the Doha Ministerial Declaration paragraph 6, and UNEP Governing Council Decision 21/14. She then reviewed UNEP's past country projects that were commodity-based and/or regionally focused, including examples of findings and policy recommendations from previous studies on the rice sector. To provide further guidance for the participants, principles for planning and implementing IA projects and the criteria UNEP uses to select project partners were presented. The objective to encourage increased integration in policymaking was re-emphasised as well as the importance of assessing a policy or agreement that has a potential to be influenced. To conclude, a review of successes, challenges and lessons learned from previous IA experiences was given, followed by a question and answer session.

Participants expressed concerns with the lack of examples showing positive impacts of trade liberalisation on biodiversity. In response, Vera pointed out the inadequate coverage of biodiversity issues in previous projects and underscored the need to focus the current initiative on these issues. One participant gave an example of a country study that showed positive impacts of trade liberalisation on biodiversity: increased technology transfer was found to result in cleaner agricultural practices as well as an increase in tree varieties in the country for increased biodiversity.

Another question raised was how challenges and lessons learned from previous projects are being addressed. In response, the request for more support for national institutions raised in earlier projects was taken as an example. This initiative will make a special effort to provide additional national-level training prior to national stakeholder workshops as well as throughout the entire process. Further, the increased length of the project - four years as opposed to the two years given for previous country projects - is intended to improve the scope for implementing the recommendations resulting from the projects.

Another participant observed the mixed results in terms of economic, social and environmental impacts in previous projects. In response, Vera agreed that there is a need to talk more about trade-offs; the Reference Manual currently being developed focuses on indicators and valuation, which should facilitate this discussion. However, valuation tools must be simplified so that non-economists can understand the methods and findings.

In addition, it was mentioned that there should be a document that expresses the commitment of all country stakeholders to identify and implement policy solutions. This kind of alliance will strengthen credibility of IA as a worthy policy tool.

4. Introduction to the Conceptual Framework of an Integrated Assessment

Vera Weick, UNEP-ETB, introduced the main objectives of working with a conceptual framework to highlight the linkages between trade, agriculture, ecosystem services and biodiversity. The conceptual framework of the Millennium Ecosystem Assessment was given as an example showing the key relations between direct and indirect drivers of change (including trade), ecosystem services and human well-being. A sample conceptual framework was presented for assessing trade, agriculture and biodiversity linkages. This was followed by definitions from the CBD of the three components of agricultural biodiversity: cultivated or “planned” biodiversity, associated biodiversity and additional biodiversity.

The different ecosystem services – provisioning, regulating, cultural and supporting – were reviewed, followed by examples of the linkages between biodiversity and ecosystem services and the impact of different land uses on ecosystems and biodiversity. Examples of how trade drives changes in agriculture with positive and negative impacts on biodiversity were also given. All these examples served to give participants more ideas of the numerous interactions and the importance of defining these linkages in a conceptual framework.

5. Results of Group Work on Linkages Between Trade, Agriculture and Biodiversity

Country representatives were divided into groups based on regional affiliation – Africa, the Caribbean and the Pacific – and were asked to develop a conceptual framework linking trade, agricultural and biodiversity related to a specific trade policy in their region. The groups chose several scenarios: (1) the effects of an external EU policy on standards for beef and livestock in Africa, (2) the effects of a change in preferential treatment in market access due to a change in international trade regime in the Caribbean, and (3) the effects of a reduction of tariffs and subsidies in the food sector in the Pacific. The groups brainstormed possible impacts that these changes would have on socio-economic factors and biodiversity – including an increase in harmful land use, worsened poverty and unemployment, change in production volumes and diversification, population displacement, and urban migration. The groups also brainstormed the types of information needed and possible data sources for the assessment, including information on trade (market, prices), the agricultural sector (crop prices, adjustment costs), employment statistics, and environmental indicators (soil fertility data). Participants also emphasised the need for different ministries to collaborate in identifying information needs and gathering data. Participants found this group exercise useful in exchanging ideas amongst themselves and in beginning to think about trade, agriculture and biodiversity issues within a conceptual framework.

6. Introduction to the Analytical Process of an Integrated Assessment

Fulai Sheng, UNEP-ETB, provided a step-by-step overview of the analytical process of IA in an interactive presentation encouraging participants to think critically about how the design could be adopted and the outcomes utilized in each country. Eight steps were highlighted:

1. Determine WHAT to assess (scene setting, scoping) - determine the specific policy or agreement that one wants to assess as well as the context of this policy or agreement. An example of a EU policy’s impact in a developing country was given.
2. Determine WHY to assess it (this will help focus the WHAT further) and specify INDICATORS of concern - Question and pinpoint why one wants to assess a particular agreement or policy. The ultimate goal could be improved well-being, or it could be more

specific in examining socio-economic and environmental impacts. It was emphasized that a policy or agreement is chosen because there is some sort of unease or perceived concern about the implications of the policy or agreement. For example, the rice sector was studied in a previous country project because of the potential significant impact on land-use that the liberalization of this sector could bring about. In identifying why the policy or agreement should be assessed, the various perspectives from different disciplines need to be integrated and a range of assessment indicators need to be used. One needs to think carefully about potential answers and outcomes that will result from the assessment and how they would be relevant to affected stakeholders. In that sense, indicators used in the assessment need to be closely linked to the concerns that stakeholders have.

3. Determine HOW to assess it - Determine how the policy or agreement should be assessed by mapping out a conceptual framework that enables the analysis of the existing and potential linkages between, trade, agriculture, environment poverty and biodiversity. It was emphasized that changes in a policy or agreement inevitably affect the incentive structure of society; in the case of trade policy, prices are part of the incentive structure and need to be given a special focus.
4. Collect baseline DATA - to analyse the implication of a policy or agreement for issues of concern. In doing this, it is important to narrow down the number of indicators to make sure they are addressing the main concerns.
5. Construct SCENARIOS (the range of options under negotiation) - In the context of trade negotiations, building scenarios is especially important because of the number of possible outcomes that negotiations could have. To understand the potential implications of a particular negotiated agreement, one needs to look at the possible scenarios. Due to the cost involved in building scenarios one may need to focus on the best and worst scenarios.
6. Assess IMPACTS of scenarios on indicators (valuation, tools) - The key here is to describe the magnitudes of the impacts from different policy scenarios on a common set of indicators. A combination of analytical tools from environmental, social, and economic sciences may need to be used to establish the causalities or relationships between policy variables and impacts. Not all of the impacts, however, are quantifiable. A combination of quantitative and qualitative tools will need to be used. As far as economic valuation of the environment and natural resources is concerned, the focus should be on those values that are attainable. For important environmental indicators that are not quantifiable, one could use other ways to express their changes such as a scoring system with different colors showing different degrees of changes.
7. Summarize analytical results - to capture the findings and outcomes of the assessment. It was noted that the utility of results depends on how well they are presented and summarized for others to make use of.
8. Make RECOMMENDATIONS (for negotiations and domestic responses) - Based on the results, recommendations for national responses should be formulated that could include recommendations for on-going negotiations or domestic policy responses (flaking measures, change in policy or instruments used, etc.)

Participants expressed appreciation for this breakdown of the analytical components of IA. One participant expressed concerns about moving from research to results at the policy level. The response given was that there is only so much researchers can do at the technical level. That being said, data must be collected that can support the best policies. IA tries to collect data and identify different views in a transparent manner to be discussed and debated by different stakeholder groups. It is also important to involve and inform key policy makers since the beginning to ensure that they consider research results and integrate them into policy.

7. Organisational Aspects of the Country Projects

Vera Weick, UNEP-ETB, presented the organisational aspects of IA. An overview of the projected milestones of the first two years of the country projects was given, including the establishment of the national steering committees, organisation of national stakeholder workshops and the application of assessment methodologies to an identified trade-related policy. Immediate steps were discussed including the selection of the lead government ministry and national institution to facilitate the project, the development of a project proposal to be submitted to UNEP, the signing of a Memorandum of Understanding (MoU) with selected countries, the setting up of the steering committee and the first stakeholder workshop. To help country representatives fully understand these steps, the content of the project proposal was summarized and reviewed in detail, and important points for submitting a successful proposal were given. All materials relevant for completing the project proposal were handed out to the countries on a CD-ROM.

Participants had several questions about completing the project proposal and the possible implementation of the country project, if selected. Concerns were expressed about the limitations of the project budget, currently set at 60,000 USD for a two-year period (first phase of implementation). Some of the concerns were related to the question of what the budget covered and what would be potential extra costs for governments and designated national institutions. Vera emphasized that the country project budget is supposed to cover the cost for project implementation at the national level, not for hiring international experts. She clarified that the international travel of country representatives and support provided to UNEP by the core advisory group is covered by additional funds administered by UNEP. Participants were also concerned about the short deadline for project proposal submissions, which was set to be due in 6 weeks. UNEP offered to provide support during the phase of project proposal drafting and will accept earlier submissions for review and comments.

8. Summary of Next Steps

At the end of the workshop, participants had an opportunity to brainstorm actions they would take within the next month to prepare for a proposal submission. Many stated organising meetings with key ministerial actors in trade, agriculture and environment as well as identifying a project committee for consultation and the formation of a proposal. Others highlighted talking to their ministries of trade because they are key negotiators for EU policy issues. Another participant mentioned the importance of making a timeframe early on to set deadlines and provide a mechanism to keep people moving. The use of existing working groups and committees was also recommended to avoid an increase in workload and costs through the creation of new committees. The importance of making some changes in its own ministry's priorities to include biodiversity concerns was mentioned to have an institutional grounding for completing such a proposal and project. Participants also requested UNEP to back their effort by sending an official letter to their institutions restating the importance that UNEP attaches to this initiative and emphasising UNEP's role in supporting the countries.

Annex I. Agenda of the Workshop

Workshop for Country Representatives

30 May 2006

International Environment House 1 (Room 2)
Geneva, Switzerland

10:00 – 10:15 **Welcoming remarks**
Hussein Abaza, *UNEP Economics and Trade Branch*

Session 1: Introduction to the Initiative for National Government Representatives

10:15 – 11:00 **Overview of the initiative**
Benjamin Simmons, *UNEP Economics and Trade Branch*

11:00 – 11:30 **Coffee Break**

Session 2: Introduction to Integrated Assessment

11:30 – 12:15 **Introduction to integrated assessment**
Vera Weick, *UNEP Economics and Trade Branch*

12:15 – 12:45 **UNEP's past experiences with integrated assessment**
Cristina Gueco, *UNEP Economics and Trade Branch*

12:45 – 13:45 **Lunch in Cafeteria**

Session 3: Analytical Aspects of an Integrated Assessment

13:45 – 14:45 **Group work on linkages between trade, agriculture, biodiversity**

14:45 – 15:15 **Introduction to analytical process of an integrated assessment**
Fulai Sheng, *UNEP Economics and Trade Branch*

15:15 – 15:30 **Coffee Break**

Session 4: Organisational Aspects of Integrated Assessment Projects

- | | |
|----------------------|---|
| 15:30 – 16:00 | Organisational process of an integrated assessment
<i>Vera Weick, UNEP Economics and Trade Branch</i> |
| 16:00 – 17:15 | Group work on next steps for integrated assessment projects |
| 17:15 – 17:30 | Wrap-up and programme of next day
<i>Vera Weick, UNEP Economics and Trade Branch</i> |

Annex II. Country Participants List

Mohamad Yusuff Boodoo
Principal Research and Development Officer
Ministry of Agro-Industry
Reduit, Mauritius
Tel: +230 4644857
Fax: +230 4644857/79
Email: myboodoo@mail.gov.mu

Raul Garrido Vasquez
Environmental Economics Officer
Ministry of Science, Environment and
Technology
Capitolio Nacional Calle Prado y San José
Ciudad de la Habana, 0101000, Cuba
Tel : +53 7 8670598
Fax: +53 7 8670601
rgvdp@yahoo.com, raul@citma.cu

Veretariki Lomalagi
Senior Economic Planning Officer
Ministry of Foreign Affairs & External
Trade
International Economic Affairs/Sustainable
Development
Level 8 & 9 Suvavou House
P.O. Box 2220, Government Buildings
Suva, Fiji Islands
Tel: (679) 2 209 642
Fax: (679) 3 301 741
vlomalagi@govnet.gov.fj,
s_lomalagi@yahoo.com

Veromanitra Raozivelomanana
Chef de Service de l'Environnement
Ministre de l'Agriculture, le l'Elevage et de
la Pêche
390 Cité Analamahitsy
101 Antananarivo, Madagascar
Tel : (261) 20 22 355 69
Fax : (261) 20 22 265 61
panjarama@wanadoo.mg
ssenv.maep@wanadoo.mg

John Bulmer
Economic Assistant
Permanent Mission of East Timor
16, rue de Colovrex 1218-CH Grand Saconnex
Switzerland
Tel : 077 412 1933
bulmor5@hei.unige.ch

Raghunath D Ghodake
Director-General
National Agricultural Research Institute
(NARI)
SATRC, Bubia, P.O. Box 4415
Lae, 411, Papua New Guinea
Tel: +675 475 1446/42
Fax: +675 475 1449
Email: raghunath.ghodake@nari.org.pg

Anthony McKenzie
Manager, National Environment and Planning
Agency
Ministry of Local Government and
Environment
10 Caledonia Avenue
Kingston 5, Jamaica
Tel: +1 876 754 7540
Fax: +1 876 754 7594
Email: amckenzie@nepa.gov.jm

Alice Ruhweza
Lead Agency Coordinator
National Environment Management Authority
NEMA House, Plot 17/19/21 Jinja Road
P.O. Box 22255
Kampala
Uganda
Tel: +256 41 251064 ext. 162
Mobile: +256 752 780020
Fax: +256-312-271635
Email: aruhweza@nemaug.org /
aruhweza@hotmail.com

Hussein Abaza
Chief
Economics and Trade Branch
Division of Technology, Industry and
Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Chatelaine
Geneva, Switzerland
Tel: + 41 22 917 82 98/81 79
Fax: + 41 22 917 80 76
Email: hussein.abaza@unep.ch

Fulai Sheng
Economic Affairs Officer
Economics and Trade Branch
Division of Technology, Industry and
Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Chatelaine
Geneva, Switzerland
Tel: + 41 22 917 81 68
Fax: + 41 22 917 80 76
Email: fulai.sheng@unep.ch

Benjamin Simmons
Legal Officer
Economics and Trade Branch
Division of Technology, Industry and
Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Chatelaine
Geneva, Switzerland
Tel: + 41 22 917 83 61
Fax: + 41 22 917 80 76
Email: benjamin.simmons@unep.ch

Vera Weick
Programme Officer
Economics and Trade Branch
Division of Technology, Industry and
Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Chatelaine
Geneva, Switzerland
Tel: + 41 22 917 81 51
Fax: + 41 22 917 80 76
Email: vera.weick@unep.ch

Cristina Gueco
Economics and Trade Branch
Division of Technology, Industry and
Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Chatelaine
Geneva, Switzerland
Tel: + 41 22 917 82 35
Fax: + 41 22 917 80 76
Email: cristina.gueco@unep.ch

Kristina Moeller
Economics and Trade Branch
Division of Technology, Industry and
Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Chatelaine
Geneva, Switzerland
Fax: + 41 22 917 80 76
Email: kristina.moeller@unep.ch

Pamela Hu
Economics and Trade Branch
Division of Technology, Industry and
Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Chatelaine
Geneva, Switzerland
Fax: + 41 22 917 80 76
Email: pamela.hu@unep.ch