



January 2008

Update on DTIE/ETB's ongoing work on Trade and MEA implementation

A. Background

A number of MEAs, including CITES, Basel Convention, Rotterdam Convention, CBD (Biosafety Protocol) and the Stockholm Convention, are focused, either wholly or in part, on trade issues. The trade-related measures incorporated in these agreements have proven to be essential to the effective implementation of these MEAs.

Since the early 1990's, clarifying the relationship between trade rules (first GATT, and then WTO) and MEAs containing trade-related provisions has been at the top of the trade/environment agenda. Throughout this period, UNEP was instrumental in raising the profile of these issues and facilitating information exchange and cooperation between the trade and environment regimes. This work contributed significantly to the political momentum and ultimate decision to include clarification of this relationship in the WTO Doha negotiations.

Since the launching of these negotiations in 2001, the DTIE-Economics and Trade Branch (DTIE-ETB) has continued to work on this issue, and has recently expanded its MEA trade-related work to include national-level projects responding directly to MEA COP decisions. From 2005-2007, DTIE-ETB raised over US\$ 2.7 million from extra-budgetary sources to support implementation of these decisions. A full list of projects, events, and research undertaken by UNEP in this area is attached as an Annex to this note.

B. Current Activities

DTIE-ETB is currently engaged in a wide range of activities at the interface of trade and MEA implementation. For the purposes of this note, the activities described below have been divided into projects, technical assistance/capacity building, and research.

Projects

Assessing agricultural trade liberalization and biodiversity impacts: This four-year initiative was launched in July 2005 in collaboration with the CBD Secretariat. It responds directly to CBD COP Decision VI/5 calling for the impacts of trade liberalization on agricultural biodiversity to be studied. Support for this initiative was recently confirmed in CBD COP Decision VIII/28, which calls on the CBD Secretariat to continue its collaboration with DTIE-ETB in developing practical guidance on assessing impacts of trade on biodiversity. At the core of the initiative is the implementation of country projects in Jamaica, Cameroon, Mauritius, Madagascar, Uganda and Papua New Guinea. To support these efforts, a manual on "Incorporating Biodiversity Into Integrated Assessments of Trade Policy in the Agricultural Sector" was developed by DTIE-ETB in collaboration with the UNEP World Conservation Monitoring Centre and CBD Secretariat. The draft manual may be downloaded at: <http://www.unep.ch/etb/areas/biodivAgriSector.php>.

Reviewing national wildlife trade policies: This two-year initiative is being jointly implemented by the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF), the CITES Secretariat, and the Geneva-based Graduate Institute of Development Studies (IUED). The initiative was launched in January 2006 and responds directly to CITES COP Decision 13.74, which calls on the CITES Secretariat to support Parties in conducting reviews "of their national policies regarding the use of and trade in specimens of CITES-listed species . . .". A draft of the Wildlife Trade Policy Review Framework was developed during the first phase of the initiative. The initiative is now entering its second phase with the launch of four pilot projects in Madagascar, Nicaragua, Viet

Nam and Uganda. Support for the initiative was recently reaffirmed at CITES COP-14 where Parties called on the Secretariat to continue its collaboration with UNEP on wildlife trade policy reviews. In addition, several Parties in the CITES COP plenary sessions highlighted their interest in participating in the initiative.

Technical Assistance/Capacity-Building

Regional trade and environment training workshops: Under the auspices of the UNEP-UNCTAD CBTF, DTIE-ETB regularly convenes regional trade and environment capacity-building workshops jointly with different organizations, including the WTO, on issues related to the relationship between MEAs and the WTO, and specifically, on the use of trade-related provisions in MEAs.

WTO negotiations and informal meetings: DTIE-ETB currently organizes informal meetings between MEA Secretariats and the staff of the WTO Trade and Environment Division to exchange information, improve mutual understanding and identify potential areas for cooperation. DTIE-ETB also supports MEA Secretariats in relevant WTO trade and environment negotiations through direct consultation and the organization of meetings between MEA Secretariats. On occasion, MEA Secretariats, such as the CBD, Basel, and Rotterdam Secretariats, request DTIE-ETB staff to represent them in the WTO negotiations.

Research

Trade-related measures and MEAs: DTIE-ETB recently finalized an analytical paper entitled, "Trade-related Measures and Multilateral Environmental Agreements," in close consultation with MEA Secretariats. The paper analyses the objectives and main trade-related provisions found in six MEAs – namely, the Basel Convention, Cartagena Protocol on Biosafety, CITES, the Montreal Protocol, the Rotterdam Convention, and the Stockholm Convention – with a particular focus on how these measures support the overall objectives and structure of the MEAs. The paper also recommends a framework for considering trade-related measures in reference to the functions they perform. A copy of the paper may be downloaded at: <http://www.unep.ch/etb/areas/promMEAimp.php>.

Environmental goods, technology transfer and MEAs: In collaboration with UNCTAD, DTIE-ETB recently finalized a paper entitled, "MEA Experience in Identifying and Facilitating the Transfer of Technology – What Insights Can Be Drawn for the WTO EGS Negotiations?" The paper examines the experience of MEAs and their Parties in identifying and facilitating the transfer of technology with the hope that this analysis might provide useful insights for the WTO negotiations on environmental goods and services. A copy of the paper may be downloaded at: <http://www.unep.ch/etb/areas/promMEAimp.php>. In addition, DTIE-ETB is currently participating in a joint research initiative with UNCTAD, the University of Geneva, and the International Network for Environmental Compliance and Enforcement. The project is examining the categories of technologies that are required to implement obligations in select MEAs, the main obstacles in accessing these technologies, and how WTO and other trade liberalization processes can promote the access to and transfer of these technologies. Specifically, the research is focusing on technologies related to climate change and waste/chemicals management.

C. Planned Activities

Future DTIE-ETB work in this area will focus on contributing, supporting and developing joint activities with MEA Secretariats in close collaboration with DELC and other Divisions. We envision that it will, *inter alia*, include:

- **Expansion of joint MEA trade-related projects:** The success of the current CBD and CITES trade-related projects have led to requests from numerous countries to expand these activities. Both MEA Secretariats have also requested that DTIE-ETB continue to support these projects, and other MEA Secretariats, including the Basel Convention, have met with DTIE-ETB staff to explore the possibility of collaborating on trade-related activities. The exact nature of future projects will depend on MEA COP decisions.
- **Facilitating MEA technology transfer:** DTIE-ETB has received numerous requests from developing countries to assist them in capitalizing on new market opportunities for environmentally-friendly technologies and services. In collaboration with the DTIE-Sustainable

Consumption and Production Branch, DTIE-ETB plans to develop an initiative to link this interest in market access with MEA implementation. As a first step, DTIE-ETB, UNCTAD and the CBD Secretariat co-hosted the first CBD Ad-hoc Technical Expert Group on Technology Transfer and Scientific and Technological Cooperation from 10-12 September 2007.

- **Exploring the linkages between trade and climate change:** The UNEP Executive Director and the WTO Director General have agreed to produce a joint study exploring the linkages between trade and climate change. DTIE-ETB is coordinating and managing this study on behalf of UNEP and is supported by the UNEP-RISOE Centre. DTIE-ETB is also organizing a series of climate change and trade dialogues to provide a platform for governments, intergovernmental organizations and civil society to discuss with, and learn from, the world's leading climate change and trade experts. Issues addressed at these dialogues include the liberalization of climate-friendly technologies, greening the merchandise transport sector, energy-efficiency standards and market access, embedded carbon in traded goods (e.g. organic versus conventional agriculture), and the legal relationship between WTO rules and the UNFCCC/Kyoto Protocol. The aim of these activities is to promote trade policies and practices that support climate change mitigation and adaptation and to minimize the contribution of trade to greenhouse gas emissions and climate change.
- **Promoting economic instruments:** In collaboration with the CBD Secretariat and IUCN, DTIE-ETB is exploring the use of international payments for ecosystem services (IPES) as means of promoting avoided deforestation. Future activities include publication of a book on IPES, co-ordination of a joint UNEP-Netherlands Environment Ministry side event at the CBD COP-9 meeting in May 2008, and the hosting of a side event on IPES at the International Society for Ecological Economics (ISEE) Annual Conference on International Payments for Ecosystem Services in August 2008 in Nairobi, Kenya.
- **Facilitating MEA engagement/information exchange with WTO:** DTIE-ETB plans to continue to respond to requests by MEA Secretariats for support on WTO and other trade-related issues. In particular, DTIE-ETB will continue to prepare short informal notes for the MEA Secretariats on WTO and MEA-related issues, and to convene informal meetings between UNEP, MEAs and the WTO Secretariats to discuss ongoing and future negotiations. DTIE-ETB will also explore the possibility of conducting joint capacity building activities with the MEA Secretariats on trade-related issues.