

**UNEP WORKSHOP ON CAPACITY BUILDING ON
ENVIRONMENT, TRADE AND DEVELOPMENT
19-20 MARCH 2002, GENEVA**

CHAIRMAN'S SUMMARY

Contribution by UNEP

I. INTRODUCTION

1. The Workshop on Capacity Building on Environment, Trade and Development was organised in Geneva on 19-20 March 2002 by the United Nations Environment Programme (UNEP), in collaboration with the World Trade Organization (WTO). The workshop provided an open forum for over 200 participants including representatives from 82 governments, 22 intergovernmental organisations, including four multilateral environmental agreements (MEAs) and 27 non-governmental organisations to assess emerging needs, and reassess current approaches to capacity building on environment, trade and development.

2. The workshop was structured around an annotated agenda and a background paper prepared by UNEP, as well as a questionnaire on capacity building activities that was completed by 30 capacity building service providers. Workshop presentations and discussions sought to better identify environment, trade and development capacity building needs. To meet these needs, participants provided guidance on actions that capacity building service providers and beneficiaries could collaboratively undertake to enhance the depth, complementarity and coordination of capacity building programmes on this policy interface.

II. SESSION I – OPENING OF THE MEETING

3. UNEP opened the workshop underlining the importance of capacity building on environment, trade and development to assist countries to address the challenges of globalization and sustainable development. If countries are to reap maximum benefits from integrating into the multilateral trading system they must build national capacities to develop mutually supportive environment, trade and development policies, and effectively implement them. In recent years, despite a considerable offering of capacity building services in this area, efforts have neither been adequate nor yielded desired outcomes. It is thus increasingly acknowledged that capacity building efforts must advance beyond current approaches to enhance their multidisciplinary content and effectiveness.

4. Encouraging participants to contribute to workshop discussions aimed at enhancing the effectiveness of capacity building, UNEP outlined numerous gaps in current capacity building efforts. UNEP stressed that improving the effectiveness of capacity building on this policy interface requires not only building on successes of previous work, but also appreciating the shortcomings of current efforts and being prepared to address them. Synthesising results of UNEP's survey, reported experiences of capacity building service providers and beneficiaries, and needs expressed by governments, UNEP summarized common gaps in current approaches to capacity building which include:

- a lack of common understanding and agreement on capacity building objectives and requirements in the area of environment, trade and development;
- insufficient attention given by capacity building providers to detailed needs assessments required to meet the specific priorities, needs and conditions of beneficiary countries;
- activities not being sufficiently participatory;
- activities often being isolated one-off exercises, unlinked to others and lacking follow-up;
- activities often delivered on an uncoordinated ad-hoc basis by different institutions;
- insufficient practice of a learning-by-doing capacity building process;
- design and delivery of programmes and activities that do not sufficiently involve regional, sub-regional and national institutions;
- Levels of funding for capacity building programmes that fall short of meeting the growing demand for assistance.

5. To develop a more effective approach to environment, trade and development capacity building, there is a need for capacity building service providers and beneficiaries to address these, and other gaps, as they work together to design and implement more effective programmes.

6. Following UNEP's presentation, opening statements were made by the chairs-elect of the WTO Committee on Trade and Environment and its Special Session, the WTO, and UNCTAD examining the role of capacity building on environment, trade and development in assisting countries to maximise the net sustainable development gains from trade liberalisation. These presentations highlighted:

- The "importance of technical assistance and capacity building in the field of trade and environment to developing countries" emphasised by Ministers at the Fourth Session of the WTO Ministerial Conference (Doha, November 2001) to further the commitment to sustainable development and mutually supportive trade and environment policies shared by all WTO Members. In this context the decision by governments to launch a new round of WTO negotiations on trade-related environment and development issues underscores the need for dynamic, structured, effective, and well coordinated capacity building programmes reflecting beneficiary countries' current, emerging and long-term needs.
- The complex, crosscutting nature of environment, trade and development issues. This complexity creates the need for multi-disciplinary capacity building to enhance coordination between ministries and other relevant decision-making bodies at the national level, and between countries and international organisations at the international level. With reference to the latter, the importance of a strong collaboration between the WTO, UNEP, UNCTAD, MEAs, along with other relevant organisations, on environment, trade and development capacity building was emphasised. There is a need to strengthen collaborative capacity building initiatives such as the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF).
- The need for effective capacity building activities to: assist countries to: enhance awareness of the linkages between environment, trade and development; support national policy making; enhance opportunities for trade; comply with international obligations under multilateral trade and environment agreements; and to participate effectively in multilateral discussions and negotiations.
- The need for the international community to develop coordinated, long-term capacity building programmes of a broader scope, including to advance the agenda set by the Doha Ministerial Conference. These programmes should: enhance national institutional and human capacities for

integrated assessment of macroeconomic policies, including trade policies; support development and implementation of market-based and regulatory policies to maximise the net sustainable development gains of trade; and promote the adaptation and use of environmentally sound technologies for sustainable development and market access opportunities.

III. SESSION II - COUNTRY AND REGIONAL PERSPECTIVES

7. Improving the effectiveness of capacity building must start with an assessment 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, expand the scope for topics covered by programmes and activities, and make them more integrated and multidisciplinary for greater effectiveness. Presentations made by participants from the following countries and institutions on the successes and failures of their recent capacity building experiences helped the group identify both short- and long-term gaps that remain to be addressed:

- The representative of the Ministry for Foreign Economic Relations of Yugoslavia stressed that the linkages between trade, environment and development remain insufficiently recognized at the national level. The problems largely result from poor inflow of information and lack of coordination among relevant ministries and other relevant institutions. Understanding basic national trade and environment needs and more active involvement in international deliberations on this policy interface are critical prerequisites to enhancing national capacity.
- Despite the development of technical centres to assist in capacity building, the representative of the Tunis International Center for Environmental Technologies (CITET; Tunisia) stressed that further work needs to be done to understand and appreciate the relationship between environment, trade and development, as well as to prioritise and develop effective projects to assist national stakeholders manage crosscutting challenges. CITET expressed its interest to act as a regional centre to assist in implementing projects and training programmes in environment, trade and development at the national and regional levels.
- While recognising training, education, and research as critical components of a long-term capacity building process, the representative of the Tropical Agricultural Research and Higher Education Center (CATIE; Costa Rica) expressed that satisfying the long-term needs of capacity building are often complicated by the turnover of trained and competent staff in relevant ministries which accompanies frequent changes in elected governments. To better meet short-term needs, he stressed that research topics and projects be selected by national stakeholders rather than by external capacity building service providers. To date, much capacity building assistance has been provided on a piecemeal basis, and has not reflected regional needs. Improved coordination among providers, particularly in assisting countries with assessments of the environmental impacts of trade liberalisation, is essential.
- The representative of the Ministry of Environment of Tanzania identified that an effective national capacity building programme must be based on national need assessments, designed by national experts, and involve key stakeholders in order to facilitate problem and solution identification. Its execution requires a clear implementation structure with clear roles identified for national stakeholders. Developing a clearer understanding of the economic, social and environmental effects of trade policies and agreements, at the national level, is a priority for Tanzania. A more intensive, participatory and country-based approach is required, together with better inter-ministerial coordination.
- The representative of the Ministry of Agriculture of Jamaica described that national experience has revealed current capacity building programmes are too often limited in scope, ad hoc, fragmented, and based on one-off events, which are insufficiently cross-sectoral and multidisciplinary. Better country needs assessments and evaluation and follow-up are critical to

address long-term needs. Capacity building should also be strategic and programmatic, with coordinated and complementary activities, yet also dynamic and flexible to meet changing needs. While present support has proved valuable, further assistance is needed in identifying national priorities, strengthening government institutions, and both widening and enhancing existing national programmes. A focus on training of trainers, institution building (e.g., national and regional centres of excellence) and technology related issues is desirable. The capacity of capital-based officials to engage effectively in national and regional negotiations must be enhanced, and regional systems of coordination and cooperation should be strengthened.

IV. SESSION III - CAPACITY BUILDING FOR MUTUALLY SUPPORTIVE ENVIRONMENT AND TRADE POLICIES

8. There are substantial challenges and requirements for designing effective environment, trade and development capacity building programmes. This session aimed to identify actions that service providers and beneficiaries can take, individually and collaboratively, to address those challenges and requirements. Formal presentations by representatives of the following international organisations described the strengths and weaknesses of current programmes and outlined ways to address gaps and deficiencies.

9. The representative of the WTO Technical Cooperation Division presented the strengthened WTO efforts to meet the increased capacity building requirements related to the Doha Ministerial Declaration. The WTO work programme focuses on assisting countries to develop integrated national plans to negotiate and implement commitments in a widening array of WTO agreements, and to exercise their rights under WTO agreements. Requests for assistance are being met by the WTO using a “toolbox” approach to technical assistance wherein programmes and activities, designed to meet specific country needs, are offered to WTO Members. The recently established Global Trust Fund will finance WTO technical cooperation for the implementation of the Doha Ministerial Declaration.

10. The representative of the OECD Development Centre, speaking in his personal capacity, provided a critique of current trade-related capacity building activities and programmes, and stressed the inherent conflict of interest between donors and recipients in the area of trade policy. In many cases, activities continue to be designed to meet donor rather than beneficiary priorities. Moreover, much of the capacity building assistance provided is ad hoc, loosely coordinated and not comprehensive. The problem of “tied-aid” remains prevalent with activity implementation and support provided largely by donor experts, institutions and firms. There is not yet a common understanding of what trade capacity building is, in part because the trade agenda is diverse and constantly evolving. The OECD has developed guidelines for trade-related capacity building resulting from assessment work undertaken by its Development Assistance Committee. These foresee capacity building as strengthening national trade policy processes and engaging all relevant actors and stakeholders, by which countries identify national trade interests and objectives, develop and implement appropriate policy responses, and identify further institution building requirements.

11. The representative of the International Centre for Trade and Sustainable Development (ICTSD) presented the results of its recent study, which noted that technical cooperation is a publicly delivered service in which recipients often have limited choice. There should be a stronger focus on developing local skills among a full range of stakeholders who remain in the country. Differing cultural perspectives need to be catered for in the provision of capacity building activities. It was noted that it is often difficult to provide a quality service in the framework of a bureaucracy. The study noted the changing needs and form of trade-related capacity building, with new country-driven and participatory processes replacing traditional externally-directed ones.

12. The representative of the World Bank described the demand-driven capacity building activities of its Mediterranean Environmental Technical Assistance Programme (METAP), which

emphasizes the importance of country-based projects that incorporate national stakeholders in their implementation and follow-up activities. The work is strengthening the public sector's capability to analyse the environmental effects of trade policies, and the private sector's ability to assess the costs and benefits of adjusting to more stringent environmental standards. Results from the programme's informed and interactive policy dialogue between different stakeholders, including through national roundtables and technical workshops, indicate that environmental standards do not negatively impact market access. The presenter noted that it would be useful to establish trade and environment units in economic and finance-oriented ministries.

13. An overview was provided of the experiences of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) during the two years since it was launched in March 2000. Feedback from countries participating in the first round of CBTF activities – which include training, research, country projects and policy dialogue – indicate that current CBTF projects are addressing many key national needs. The projects promote country ownership, wide stakeholder participation, and a learning-by-doing approach to capacity building. However, some gaps persist at the programme level, and there is a need to strengthen the multidisciplinary nature of some projects. The CBTF needs to establish stronger partnerships with international, regional and sub-regional institutions, including NGOs, and secure sustainable financing to better meet the substantial and growing demand for capacity building services.

V. SESSION IV - CAPACITY BUILDING AS A TOOL FOR ACHIEVING SYNERGIES BETWEEN MEAS & THE WTO

14. Growing global interdependencies, both economic and environmental, increase the need for policy coherence and coordination at all levels, and demand renewed efforts to build mutually supportive relationships between MEAs and the WTO. Strengthening the mutual supportiveness and coherence of trade and environment policies, rules and institutions is required to maximise their joint contribution to sustainable development. Mutual supportiveness will likely yield significant benefits for MEA parties and WTO Members, particularly developing countries. Capacity building has a major role to play in realising potential synergies through more coordinated implementation of the provisions of MEAs and the WTO. Representatives of MEA and WTO secretariats made presentations on ways that their diverse capacity building programmes can be strengthened in a trade-related context.

15. The session opened with formal presentations from UNEP, the Secretariats of CITES and the Basel, Ramsar and Stockholm Conventions, and the WTO.

16. UNEP described the process that it has facilitated between the WTO and MEA Secretariats since June 1999, which aims to enhance synergies and mutual supportiveness. Collaborative work on capacity building has recently emerged as an important requirement and opportunity for achieving those synergies. Concrete proposals were offered in the area of capacity building to enhance compliance with, and implementation of, international agreements, coordination between trade and environment officials at the national level, and collaborative capacity building between MEAs, WTO and UNEP at regional and sub-regional levels.

17. The representative of the CITES Secretariat explained that it is now moving from ad hoc capacity building actions to a strategic and integrated programme, which is jointly planned and executed with key partners (such as IUCN and TRAFFIC). The programme is aimed at: promoting the understanding of CITES; enhancing decision-making processes that underlie CITES procedures (e.g., through training and direct assistance); and developing supportive infrastructure on issues such as legislation or enforcement schemes. In the near future, more activities will be developed for customs and control agencies. Furthermore, an emphasis will be put on the sub-regional and regional levels through activities undertaken jointly with UNCTAD, WTO and UNEP.

18. The representative of the Stockholm Convention on Persistent Organic Pollutants (POPs) said its capacity building programme is still evolving, as the Convention has only recently been signed (May 2001). Trade-related aspects will be of major importance, given that 9 per cent of global trade is accounted for by the chemical industry, a proportion that is rising fast and at a higher rate in non-OECD countries. Current activities include helping develop national toxics inventories, sub-regional workshops on the management of POPs and Convention implementation, country case studies, and the development of a network of regional centres and national focal points, and a POPs information clearing-house mechanism. Countries have already begun the process of developing national implementation with funding provided by the Global Environment Facility. The Secretariat expects to learn from the experiences of other MEAs on capacity building. The Rotterdam Convention on the Prior Informed Consent Procedure for Hazardous Chemicals and Pesticide in International Trade assists countries in their efforts to implement the PIC Procedure through information exchange and sub-regional training workshops.

19. The representative of the Basel Convention explained that ongoing capacity building activities are focused on the sound management of hazardous waste, with all its components (import/export policies, environmentally sound management and disposal). These activities are increasingly trade-related, as markets in hazardous waste are increasingly becoming regional and global in extent. The globalization of legal trade is also creating conditions, which facilitate the globalization of illegal trade, hence, the need for this capacity building effort. A network of 12 regional centres for environmentally sound management of hazardous waste provides the foundations for this work, which in many cases promotes trade as a solution to waste management problems, when it is the most effective and practical option – for example, in the case of small island developing states.

20. The representative of the Ramsar Convention explained that although the Ramsar Convention is the oldest MEA, its capacity building programme is relatively limited for financial reasons. The Convention, however, offers training workshops and materials, supports research on wetland management and education programmes, and more recently has been exploring the promotion of trade in sustainably produced products from wetlands (e.g., shrimp, other fisheries products, organic agricultural products). The Ramsar Convention's capacity building programme is made possible through financial contributions of donor countries and the private sector. The Secretariat is also working on the design of economic instruments which contribute to wetland conservation, in collaboration with the Convention on Biological Diversity. It was noted that wetlands are crucial to the livelihoods of many of the 2 billion people that live on incomes of under US\$1 per day.

21. The representative of the WTO Secretariat emphasised the importance of building institutional capacity, both at national and international levels, as well as the need for better coordination between trade, environment and development agencies. In order to improve the collaboration between MEA secretariats and the WTO, information sessions are being organised by the WTO, as well as regional seminars. The WTO is planning to organize side-events at relevant MEA COPs, such as those of the CBD and CITES where trade-related matters are raised. The WTO Regional Seminars on Trade and Environment and the preparation of the joint paper on compliance and dispute settlement in MEAs and the WTO were noted as important and fruitful areas of collaboration between the WTO and UNEP. It was also noted that more cooperative activities between the WTO, UNCTAD and UNEP have a crucial contribution to make to CTE discussions and negotiations on trade and environment.

VI. SUMMARY OF DISCUSSIONS

(a) Participants identified the following gaps in current approaches to capacity building:

- A lack of common understanding and agreement on capacity building objectives and requirements in the area of environment, trade and development.

- The scope of programmes often addresses only some of the environment, trade and development challenges facing beneficiaries, failing to respond to other national priorities.
- Insufficient attention given by capacity building providers to detailed needs assessment required to meet the specific priorities, needs and conditions of beneficiary countries.
- Insufficient resources devoted to follow-up of projects and evaluation of results in terms of capacity built.
- Activities being insufficiently participatory and hence failing to reach all relevant stakeholders and secure adequate buy-in to new policies or policy-making processes put in place through capacity building.
- There is a need to focus more on the establishment of partnerships between the public and private sectors in key areas such as technology cooperation and transfer.
- Some programmes are designed to serve the priorities and interests of providers rather than beneficiaries.
- Activities are often isolated one-off exercises, unlinked to those undertaken by the same provider or others.
- Many programmes fail to provide a long-term perspective that is required to meet the evolving needs of beneficiaries.
- There is a clear lack of coordination between the different institutions providing capacity building services.
- In many cases, insufficient consideration is given to the beneficiaries' ability to absorb capacity building.
- Insufficient application of "learning-by-doing" capacity building methods, which generate appropriate policies and stakeholder buy-in, as well as build technical capacity.
- Design and delivery of programmes and activities do not sufficiently involve regional, sub-regional institutions.
- Levels of funding for capacity building programmes fall short of meeting the growing demand for assistance.
- Understanding of the linkages between trade, environment and poverty remains inadequate.
- Limited involvement of the private sector both in programme delivery and as programme beneficiaries.
- Relationships between the MEAs and WTO are not well understood by many countries.
- Sub-regional and regional organisations sometimes encounter difficulties working with international organisations, limiting the extent to which effective partnerships are catalysed.

(b) Workshop participants identified the following needs for future programmes and activities:

- Design activities to assist negotiators – both in Geneva and capitals – in preparing for international negotiations, particularly those of the WTO, and in participating effectively in related fora, such as the WTO Committee on Trade and Environment and the World summit on Sustainable Development (WSSD).
- To assist countries, particularly least-developed countries, to determine their capacity building needs and to design activities and programmes to meet them.
- Enhance coordination and cooperation between international institutions, national governments and local stakeholders to define agreed capacity building objectives, ensure complementarity and avoid duplication.
- Develop active partnerships between service providers and beneficiaries to ensure that national needs and priorities are met by activities which also reflect national conditions.

- Ensure that capacity building programmes are flexible and adaptable, in order to meet evolving needs.
- Involve national experts and institutions, including from local communities, in the development, implementation, follow-up and evaluation of capacity building activities.
- Place more emphasis on including civil society in capacity building activities, including those relating to assessment of the effects of trade and trade policy.
- Complement training and seminars with intensive and participatory, country-based, learning-by-doing activities.
- Place greater emphasis on institution building at the national and regional levels.
- Ensure all activities are based on a participatory process benefiting from multi-stakeholder ownership of national policy analysis, design and implementation.
- Build national networks of experts and institutions at different levels and in different sectors needed for policy development and implementation.
- Develop more activities which assist countries with the complete policy cycle, including policy analysis, design and implementation.
- Design programmes that can support a process of continuous in-country capacity building that extends beyond the timeframe of the service provider's activities – i.e., build "sustainability" into the capacity building effort.
- Strengthen South-South cooperation, directly between national institutions, and by engaging relevant regional and sub-regional institutions.
- Increase public awareness and understanding of environment, trade and development issues through educational programmes.
- Develop a global database on capacity building programmes and activities being implemented in countries and regions to assist providers and beneficiaries ensure efficient provision of, and participation in, various activities.
- Provide better training for customs officer, especially in the light of growing illegal trade, which often has significant negative environmental impacts.
- Develop educational programmes to train environmental economists in developing countries and regions where there is a shortage of such expertise.
- Promote more accurate valuation of natural resources required to ensure that resources are not under-priced, and that local communities can receive a fair price for their products.
- Consider the effects of trade liberalization on monitoring and enforcement of MEAs.
- Harmonize, to the extent possible, reporting requirements of MEAs, which are currently a major task for many developing countries.
- Better coordinate and integrate capacity building programmes of MEAs, with each other, and with those of the WTO, UNCTAD, UNEP and other relevant institutions.

(c) The following general points were made in the discussions:

- Maintaining the practice of bringing capital-based officials to Geneva-based events, and vice versa, is crucial for the success, and negotiating relevance, of capacity building.
- Clearly differentiate short, medium and long-term activities of capacity building programmes.
- The need for international organisations to assist some developing countries to prepare requests for assistance and project proposals was highlighted.

- A policy implementation phase should be included in capacity building activities whenever possible.
- Concerns were raised that identification or certification of traded goods as being produced in a manner supportive of MEAs could create more trade barriers.
- The relationship between Special and Differential Treatment and trade and environment interlinkages and policy integration should be explored.
- South-South cooperation is already underway and contributing to capacity building, providing an opportunity to build on ongoing activities.
- Country studies on environment-trade-development linkages conducted by national institutions, continue to play a key role in awareness and capacity building.
- Ensure that policy think tanks and research institutions are beneficiaries of capacity building, given that individuals often stay longer in posts in these institutions than in governments.
- Adopting a participatory approach in capacity building on environment, trade and development can promote good governance that is supportive of sustainable development.
- Arranging back-to-back meetings at both regional and international levels is a cost-effective method to enhance broad participation and promote policy integration.

VII. CONCLUSIONS AND NEXT STEPS

22. The main message of the workshop was that in order to improve the effectiveness of capacity building on environment, trade and development, service providers must not only build on successes of their previous efforts, but they must also acknowledge gaps in programme effectiveness and be prepared to address them. Based on this premise, workshop discussions provided a set of recommendations for developing a more effective approach to environment, trade and development capacity building. These recommendations are intended to provide guidance to capacity building service providers and beneficiaries as they work together to design and implement more effective programmes.

23. For UNEP's part, further to requests made by participants, UNEP will:

- Develop the workshop background paper to reflect workshop discussions, and disseminate it to interested governments and institutions for their comments and feedback.
- Use the foregoing lists of "gaps and needs" as a draft checklist to assist in the design of its capacity building activities.
- Convene regional workshops in collaboration with regional and sub-regional institutions to promote the integration of workshop recommendations into ongoing and planned capacity building programmes and activities.
- Develop and implement collaborative capacity building activities to enhance synergies between MEAs and the WTO, particularly in the context of the WTO Regional Seminars on Trade and Environment.
- In cooperation with UNCTAD, based on increased donor contributions to the UNEP-UNCTAD CBTF Trust Fund, and increase CBTF capacity building activities.
- Develop a database of ongoing environment, trade and development capacity building activities, including those conducted by MEAs and other IGOs.

- Focus the June 2002 meeting of the UNEP facilitated MEA-WTO process on developing and initiating a specific collaborative MEA/WTO/UNEP capacity building activity.

24. Moreover, UNEP will continue to convene periodic briefing sessions in Geneva and Nairobi to inform governments and institutions on progress it has made on each of these follow-up activities.

25. The process initiated by the workshop can be used to catalyze a global strategy on capacity building on environment, trade and development. Any such effort will clearly need to involve providers and beneficiaries of capacity building activities, and more coordination and information exchange between them as was emphasized during the meeting. UNEP will be elaborating some immediate next steps, in consultation with those partners, on the basis of insights gained from the workshop. The next event in the UNEP-facilitated process on building synergies between MEAs and the WTO, that will take place in June 2002 in Geneva, will be devoted at least in part to the issue of developing specific collaborative capacity building activities between these institutions. There are also plans for a side event at the WSSD in Johannesburg, jointly sponsored by the WTO, UNEP and UNCTAD, that will focus on capacity building on the trade, environment and development policy interface.

26. The Chairman closed the workshop thanking all presenters and participants for their presentations, contributions to workshop discussions and for the insights they contributed to designing more effective capacity building programmes on environment, trade and development.
