



Trade and Environment: Sustainable Development (& Sustainability Impact Assessments)

This is one of a series of position papers on trade and environment. BirdLife International is focusing on key environmental issues that are significant to the 5th Ministerial Session of the WTO in Cancún, Mexico, September 2003.

We believe that mutually reinforcing and supportive multilateral systems for international trade and environmental protection are essential to sustainable development and well-being. Without positive outcomes for both the environment and developing countries, the so-called 'Doha Development Round' of the WTO will fail to meet both its own sustainable development mandate and the needs of present and future generations.

Summary Position:

BirdLife International believes that Doha Round must deliver a multilateral trade system that reflects the concerns of civil society and works for the common good - people and the environment. It must support poverty eradication and have sustainable development at its heart.

To ensure this, BirdLife International believes that:

- The WTO's rules and operations to date have been skewed towards pursuing trade liberalisation as an *end in itself* rather than a *means to an end*. International trade policy must now concentrate on how to *manage* trade for human and environmental benefit and fully recognise the WTO's sustainable development mandate.
- Sustainable development must be central to trade negotiations and operationalised throughout all WTO rule and decision-making processes; paragraph 51 of the Doha Declaration offers a significant opportunity towards realising this.
- To fulfill the new mandate conferred by paragraph 51, the WTO must adopt a holistic approach that involves *integrated* consideration of social, environmental and economic impacts, rather than their separate thematic treatment; in support of this:
 - the respective WTO Committees on Development and Environment should, at the least, develop a common strategy for the analysis of sustainable development issues, ensuring an integrated discursive process is used.
 - The Committees could and should have an ongoing assessment role during the negotiations. To be effective this should be a high-level process open to relevant outside bodies and public scrutiny, so helping to address issues of power imbalance.
- It is imperative that countries understand the social and environmental impacts of current trade commitments and of various future trade scenarios.
- Sustainability Impact Assessment (SIA) can be a valuable tool for integrating environmental and developmental concerns into trade negotiations. SIA should be developed and used as an essential part of WTO decision-making.
- All countries should be encouraged and, where necessary, given support to carry out effective SIAs on trade regimes, as and when appropriate.

1.0 BirdLife International believes that sustainable development must lie at the heart of the WTO and trade negotiations and must be reflected throughout all WTO rules and decision-making. The objective of sustainable development is already clearly written into the WTO framework; indeed it is stated in the first paragraph of the Marrakech Agreement that established the WTO. Without this, we will fail to address the real challenges of our time – poverty eradication and environmental degradation, and will not meet crucial commitments, goals and targets agreed internationally through the World Summit on Sustainable Development (WSSD), the Millennium Summit, and before that the Rio Earth Summit.

2.0 We welcome recognition in the Doha Ministerial Declaration (DMD) that Members should be working towards an environmentally and socially sustainable outcome. Paragraph 51 of the DMD states that: *'The Committee on Trade and Development and the Committee on Trade and Environment shall, within their respective mandates, each act as a forum to identify and debate developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected.'*

We support the effective implementation of this mandate to ensure that the outcome of the Doha negotiations supports sustainable development, including protection of the long-term carrying capacity of the Earth.

2.1 We believe that paragraph 51 is a significant first step towards realisation of the WTO's stated commitment to sustainable development. However, there is a real need to strengthen both Member and organisational capacity and commitment to policy coherence and consistency, and in a way that effectively addresses power imbalances between countries and issues, notably between developed and least-developed countries and between the environment and trade and finance.

2.3 We believe that to fulfill the new mandate conferred by paragraph 51, the WTO must adopt a holistic approach that involves *integrated* consideration of social, environmental and economic impacts, rather than separate thematic treatment. In this respect, the language of paragraph 51 is disappointing in that it suggests the Committee on Trade and Environment (CTE) and Committee on Trade and Development (CTD) shall work separately '*within their respective mandates*', as if trade, environment and development could be meaningfully separated.¹ To ensure integrated discursive processes, we believe that CTE and CTD should, at the least, develop a common strategy for the analysis of sustainable development issues. An expansion of the CTE and CTD's roles to include a '*watchdog*' function offers a basic but limited opportunity to integrate environment and development considerations into international trade negotiations.

2.4 To have '*sustainable development appropriately reflected*', we believe the WTO requires a suitable process and/or independent advisory body to enable ongoing sustainable development assessment during negotiations. To be effective this should be high-level and open to relevant outside parties and public scrutiny, helping to address issues of power imbalance. Whilst this may be implemented with joint input from the CTE and CTD, recognising their limitations, extended remit and participation of the Trade Policy Review Body is suggested to achieve this.

2.5 We believe the WTO needs to work more openly and effectively with other institutions and the United Nations, particularly the UN Commission on Sustainable Development. This would support the Johannesburg Plan of Implementation (JPOI), paragraph 151, which stresses the need '*for international institutions both within and outside the United Nations system, including international financial institutions, WTO and GEF, to enhance, within their mandates, their cooperative efforts to:*

(a) *Promote effective and collective support to the implementation of Agenda 21 at all levels;*

(b) *Enhance the effectiveness and coordination of international institutions to implement Agenda 21, the outcomes of the WSSD...*'

¹ Sustainability challenges of Paragraph 51. A. Marong and M. Gehring. Bridges 6/1 January 2002.

3.0 BirdLife believes sustainability impact assessments (SIAs) should be used as a vital tool for achieving sustainable development through better understanding of how trade affects people and the environment². As such, they should be an essential part of WTO decision-making processes. We believe, however, that there are several essential requirements relating to both procedure and content for the successful use of such assessments.

3.1 SIAs must put sustainability first, using sustainability rather than trade as the baseline for analysis. The EU assessment framework of the Doha Round was built on the assumption that multilateral trade liberalisation is desirable and will promote growth. This pro-liberalisation bias limits consideration of alternative scenarios, such as removing or restricting liberalisation or a different form of trade.

3.2 In support of this, assessment should reflect the aims and targets of the various international agreements dealing with sustainable development, such as the Rio Declaration of 1992, the JPOI and the Millennium Development Goals. This means that assessment must include the impact of trade negotiations on, amongst others, poverty reduction, implementation of the principle of common but differentiated responsibilities, and environmental resource use and consumption.³ SIA must consider the direct impacts of trade policy on environmental and social concerns, as well as the indirect impacts through the influence of trade on the economy and public policy making.⁴

3.3 We believe there is huge challenge that must be overcome to ensure all decisions and subsequent actions calculate and incorporate external and future values fairly, particularly those of ecosystem services. Further to this, in realising sustainable development, there is a clear need to ensure that inevitable 'trade-offs' between short-term needs and long-term goals of sustainability give adequate consideration to the longer-term global and local values of public goods, especially biodiversity. In this, there must be a commitment to address the current predisposition of short-term political decision making, which often privileges the economic over the social and environmental.

3.4. For effectiveness, we believe it is essential for any SIA exercise to be transparent and participatory. This is consistent with many provisions of the Uruguay Round Agreements and with paragraph 10 of the DMD. An inclusive and transparent process is essential for the legitimacy of any assessment negotiations, and hence for acceptance of their recommendations.

At the international level, this means ensuring broad developing country involvement to avoid SIAs being seen as a new form of protectionism. We believe that a multilateral approach to the design could ensure that Members are convinced of the objectivity of any assessment method and counter the suspicion, seen with the EU's SIA, that partisan views are embedded in the model. At the national level, it is essential that country parliaments are involved in the exercise for the assessment to inform national debates and policy making.⁵

Participation is needed to provide information and expertise. To date, the CTE has been too narrowly constituted to genuinely add value to the trade debate.⁶ Increased engagement with wider stakeholders is necessary to help broaden its base and know-how. We believe that SIA as a tool should be developed and applied with support from international agencies and NGOs to draw on their technical experience. It should also involve sharing of Members' experiences with national SIAs under Paragraph 33 of the DMD. Participation at the national level should involve all stakeholders in governments and in society, with widespread public involvement. The affected public is an essential source of information for governments to identify and understand the impacts of policy change and development.

² It should be noted that whilst we recognise that assessments are limited by both data constraints and the complexity of linkages between trade rules, development and the environment, we believe that even the partial picture that can be provided by the current assessment capacity is extremely valuable. This can highlight key potential areas of concern and indicate a research agenda for more detailed study. Moreover, it serves to underline the linkages between trade rules and sustainable development and the importance of considering social and environmental impacts in trade negotiations.

³ Reflecting Sustainable Development in the Doha Trade Negotiations Vicente Yu. Bridges 7/5, June 2003.

⁴ Tom Conway A framework for assessing the relationship between trade liberalisation and biodiversity conservation. 1998 IISD.

⁵ Joint NGO Statement on The EU Sustainability Impact Assessment of WTO trade liberalisation, February 2000

⁶ Steve Charnovitz The Environmental Significance of the Doha Declaration Bridges, Vol.5 No. 9, Nov/Dec 2001

3.5 We stress the importance of additional resources and capacity building for the development of useful and effective assessments. Integrated assessment requires expertise in the mechanics of assessment and sound understanding of the linkages between economy, environment and development. There is a need for dedicated assistance to build technical capacity in this field. It is particularly important that support is given to developing countries with the goal of enabling all states to have the capacity to conduct their own SIAs.

Until this is achieved, those states that do conduct assessments must look beyond their own borders, and in particular consider the outcome of different trade scenarios for developing countries. The international scope of assessment should include cross-border impacts as well as influences on other countries. However, while SIAs should not be confined to a narrow focus on national self-interest, they must avoid being prescriptive with respect to developing countries.

3.6 SIAs must not be tokenistic, they must lead to the shaping of trade rules and change actual outcomes, not merely assess them. Policy prescriptions and recommendations are crucial and to this end, there must be a mechanism to ensure that the results of SIAs are taken into account in Member decision making. At the least, an explanation must be given when the assessment advice is not followed, either within the WTO or elsewhere.

For effective implementation, it is also important that recommendations are clear and capable of quick translation by even resource-constrained developing countries. Inter alia, this means clear and explicit guidelines or criteria that countries can use to integrate environment and development concerns into negotiations. Post-evaluation and review of any SIA process should be carried out to assess its effectiveness.

3.7 We commend to Members the production of an assessment report mid-term and at the conclusion of the Doha negotiations to assess progress on 'having sustainable development appropriately reflected'.

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All position papers have been written and produced by the RSPB in consultation with BirdLife International's Secretariat (Cambridge).

BirdLife International is a global Partnership of conservation organisations, working in more than 100 countries worldwide. The BirdLife Partnership strives to conserve birds, habitats and global biodiversity, joining local communities around the world to achieve awareness of our natural resources and how to use them sustainably.

The Royal Society for the Protection of Birds is Europe's largest wildlife conservation organisation with over a million members and the UK partner of BirdLife International. Through research, advocacy and land management, we strive to link national and international policies for sustainability with local concerns in both the South and the North. We have extensive programmes of work in many policy areas including agriculture, trade, climate change, energy, transport, the marine environment, fisheries, education and capacity building.

The RSPB and BirdLife International are working to ensure that international trade and international trade rules provide a positive contribution towards achieving sustainable development and thus do not adversely affect the environment.

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