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# **CAPACITY BUILDING IN TRADE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT**

## **BACKGROUND PAPER NO.1**

Prepared by the  
United Nations Conference on Trade and Development (UNCTAD)

# **Capacity Building in Trade, Environment and Sustainable Development**

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This background note has been prepared by the UNCTAD secretariat in its capacity as task manager for trade, environment and sustainable development. It is based on consultations with and contributions from WTO, UNEP, UNDP, UNIDO, ITC (WTO/UNCTAD), UN regional commissions, other intergovernmental organizations, the secretariats of some multilateral environmental agreements, select governments and non-governmental organizations.

## I. INTRODUCTION

### A. Background

1. The General Assembly, at its 19<sup>th</sup> Special Session (“Rio+5”), agreed that: “International co-operation and support for capacity-building in trade, environment and development should be strengthened through renewed system-wide efforts, and with greater responsiveness to sustainable development objectives, by the United Nations, the World Trade Organization and the Bretton Woods institutions, as well as by national Governments”.<sup>1</sup>

2. The objective of this background note is to assist the Commission in its deliberations on capacity building in trade, environment and development. It focuses on the activities of the United Nations, in particular UNDP, UNEP, ITC (UNCTAD/WTO), UNIDO and UNCTAD, as well as those of WTO. As civil society plays an important role in capacity building, the note gives a number of examples illustrating the importance of participatory approaches to capacity building.<sup>2</sup>

### B. Concept of capacity building

3. As stated in Agenda 21, Chapter 37, capacity building encompasses the development of a country’s human, scientific, technological, organizational, institutional and resource capabilities.

4. Agenda 21 recognizes that “[a] fundamental goal of capacity-building is to enhance the ability to evaluate and address crucial questions related to policy choices and modes of implementation among development options, based on the understanding of environmental potentials and limits and of the needs as perceived by the people of the country concerned.”

5. The above has a number of important implications. First, capacity building goes beyond technical assistance. Second, as trade-related environmental and environment-related trade problems have significant developmental effects, capacity building in these areas cannot be treated in isolation from other sectors. Third, capacity-building activities should be driven by the needs of the beneficiary countries.

6. For practical and analytical reasons, this note describes selected areas of technical assistance and capacity building. The various categories of trade-related technical assistance established by the OECD Development Assistance Committee (DAC) provide a useful frame of reference in this regard. All the ongoing and planned capacity building activities by various organizations are mentioned for illustrative purposes only.

### C. Objectives and activities

#### 1. Creating awareness and promoting policy dialogue.

7. *Promoting policy dialogue.* In practical terms, capacity building often begins with creating awareness and improving understanding of particular trade, environment or development issues, sometimes in combination with a plan for follow-up activities. Thus, in many developing countries capacity building projects promote policy dialogues. These dialogues address the main issues in the international discourse on trade and environment and enable developing countries to articulate their position vis-à-vis these issues. Intergovernmental organizations, such as WTO, UNCTAD, UNEP and UNIDO, and non-governmental

organizations (NGOs), are very instrumental in this regard. Some developing countries have established national trade and environment committees, but these initiatives often suffer from lack of funding. Even in the best cases, where funding exists, it has often not been provided on a continuous basis, which is a *sine qua non* for making capacity building work, especially at the early stages of the process.

8. *Conducting studies on linkages between trade, environment and development.* Developing countries need to carry out comprehensive multidisciplinary studies with a view to identifying the key issues specific to their particular circumstance. UNCTAD, UNDP, UNEP, UNIDO and ITC (WTO/UNCTAD) have supported such studies in a number of developing countries. Under the joint UNCTAD/UNDP project entitled “Reconciliation of Environmental and Trade Policies”, ten country case studies had been carried out between 1993 and 1996.<sup>3</sup> More recently, UNEP, UNCTAD and ESCAP<sup>4</sup> also carried out a number of country studies. UNIDO has undertaken a study of the impacts of industrial (including trade) policy on the environment in the Philippines (1997) and currently is undertaking a similar study in Pakistan. Empirical research (and funding) is needed to support further studies.

9. *Strengthening research capacities in developing countries by commissioning policy-oriented studies carried out by experts or research institutes.* A number of inter-governmental organisations and NGOs have been active in promoting research capacities in developing countries. For example, the International Institute for Sustainable Development (IISD) and the International Union for the Conservation of Nature (IUCN) have developed a Trade Knowledge Network (TKN).<sup>5</sup> Similarly, UNIDO is setting up an Industrial Policy Research Network, which will, *inter alia*, look into trade related aspects of industrial development. Such projects build on existing research capacities in developing countries and disseminating their results in both developed and developing countries can serve as a vehicle for confidence building.

10. *Improving training packages to enhance the transfer of knowledge on trade and environment, through pedagogical methods and with the help of training packages.* One case in point is a training package on trade and environment that UNCTAD is preparing as part of its TRAINFORTRADE 2000 project. A new proposal for training has recently been made in connection with an idea to establish a trade-related training facility in Thailand as a follow-up to UNCTAD X.

## 2. National policy making.

11. *Enhancing policy formulation and implementation.* UNEP, in co-operation with governments and local research institutes in developing countries, provides assistance to developing countries in the integration of environmental considerations into macro-economic and trade policies. In particular, UNEP has carried out a number of case studies under a project entitled “Environmental Impacts of Trade Liberalization and Policies for Sustainable Development of Natural Resources”, implemented in co-operation with UNCTAD. UNEP and the World Bank provide assistance, at the national level, in the design and implementation of economic instruments, sometimes in conjunction with regulatory measures, to gear trade liberalisation towards sustainable development objectives. The programmes run by ITC (WTO/UNCTAD) help developing countries factor environmental requirements in their export promotion strategies. UNIDO is involved in building capacity in the formulation of industrial (including trade) policies. Thus, UNIDO provided assistance to the Government of Viet Nam in formulating a medium-term industrial strategy, taking into account its environmental implications (1995-1997), and is currently working with the State Planning Development Commission of the People’s Republic of China on the evaluation and adjustment of China’s sustainable industrial planning and policies (1999-2000).

12. *Strengthening policy co-ordination.* The trade and environment debate has put a lot of emphasis on the need for policy coordination at the national level, particularly between ministries of trade and environment. To achieve the effective integration of trade and environment concerns, other relevant ministries and interest groups should also be involved. UNDP country offices play an important role in promoting coordination at the national level.<sup>6</sup> For instance, the UNDP offices in India and Vietnam cooperate with UNCTAD on country projects dealing with policy coordination. The World Bank and UNDP can also play an important role in institution building, for example through staff training or through the creation of inter-agency (or inter-ministerial) committees.

13. *Institutionalizing stakeholder involvement.* Intergovernmental institutions and NGOs are increasingly promoting multi-stakeholder policy dialogues and incorporating them into their capacity building projects. This approach is particularly instrumental in identifying solutions where the interests of different branches of government and the civil society have to be weighed and where their support is necessary for the successful implementation of programmes and projects.<sup>7</sup>

### 3. Trade enhancement.

14. *Promoting quality of developing country products.* For developing countries, the ability of companies to meet environmental requirements is essential in terms of safeguarding access to developed countries' markets as well as strengthening their position vis-à-vis foreign competitors, including in the domestic markets. Technical assistance to developing countries in enhancing the quality of their export products as a means to gain international competitiveness has been provided for many years, e.g. by UNIDO, ITC (UNCTAD/WTO) and multilateral and bilateral donors. Much of the experience acquired in conventional programmes can be used to enhance environmental quality as well.

15. *Promoting production and exports of environmentally preferable products (EPPs).* Multilateral and bilateral donors have been contributing to capacity building in this area through pilot projects in select developing countries. These projects are often conducted in co-operation with academic institutions, e.g. the International Institute for Environment and Development, and NGOs. ITC (UNCTAD/WTO) has carried out important work in the area of market research and export promotion, for example with regard to organic food and sisal. UNCTAD is also active in this area.<sup>8</sup> With regard to ozone-free products, the World Bank, UNDP and UNIDO are working with enterprises, including the export-oriented ones, on phasing out ozone depleting substances.

16. *Building new or improving existing infrastructure for trade.* In many developing countries, improvements in infrastructure play a key role in raising standards, reducing compliance costs and promoting production of and trade in environmentally preferable products. The creation or upgrading of standardisation bodies, as well as metrology, testing certification and accreditation facilities, are of great importance. Within the United Nations, UNIDO, FAO and ITC (UNCTAD/WTO) are conducting important activities in this regard. UNIDO is financing and implementing a programme to assist developing countries in the field of accreditation. In 1997, UNIDO, the International Organisation for Standardisation (ISO) and the International Accreditation Forum (IAF) signed an agreement to jointly implement such a programme. Assistance to developing countries is provided through the preliminary assessment of their accreditation bodies ("pre-peer evaluation") prior to the peer-evaluation required for signing the IAF Multilateral Agreement. The OECD/DAC has also paid considerable attention to certification issues.

17. *Developing enterprises.* This is another important area of capacity building that can be extended to include environmental issues, with special reference to the needs of small and medium sized enterprises (SMEs).

#### 4. Compliance with international obligations and standards

18. *Implementing WTO Agreements.* The WTO Secretariat provides technical assistance to its developing country Members with a view to enhancing their understanding of WTO Agreements (including agreements with environment-related provisions) and facilitating the implementation of these agreements at the national level. The WTO Agreements on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary measures (SPS) contain provisions for technical assistance. UNIDO carries out analytical studies on the impact of WTO rules on industry, including their implications for export processing and special economic zones and, based on these, promotes environmental awareness in the public and private sectors in developing countries and transition economies.

19. *Implementing trade-related provisions in Multilateral Environmental Agreements (MEAs) at the national level.* Many developing countries lack capacities to comply with trade-related obligations under MEAs, while, at the same time, mitigating adjustment costs. The secretariats of the Basel Convention and the Convention on International Trade in Endangered Species (CITES) provide assistance to developing country Parties in preparing legislation necessary to implement and monitor compliance with trade provisions.<sup>9</sup> Developing countries also need to enhance their understanding of the implications of national policies aimed at achieving the objectives of MEAs.

20. *Renewing efforts to improve international co-operation in the area of standards.* Capacity building can play an important role in preventing environmental standards from having adverse trade effects on developing countries. Some developed countries provide assistance to their trading partners in the area of environmental standards through the organisation of workshops and technological co-operation. There is a need to extend such activities to SMEs and least developed countries (LDCs). The eco-labelling debate has brought to the fore the need for exporters to participate in the development of voluntary standards, in particular those based on non-product-related processes and production methods. Capacity building, coupled with technical co-operation may help achieve a better understanding of the legitimate needs for environmental standards, as opposed to the use of these standards for protectionist purposes. UNIDO has undertaken two surveys, in 1995 and 1997, to assess the trade impact of international standards (ISO 9000, ISO 14000 and eco-labels) in co-operation with ITC and ISO, and had held regional workshops to inform developing countries of the findings of these surveys. A new survey is planned for the year 2000.

21. *Engaging the private sector in promoting environmental management systems.* The private sector, in particular transnational corporations (TNCs) can play an important role in promoting the implementation and improvement of environmental management systems (EMS) in developing countries. It is particularly important to seize opportunities offered by co-operation between companies in developed countries and their suppliers in developing countries, and between subsidiaries of TNCs and their local suppliers, in particular SMEs. Although such co-operation is undertaken within the private sector, home and host governments, as well as bilateral and multilateral aid agencies, can create an enabling environment for such co-operation and sponsor those activities that may leverage private sector co-operation. The UNCTAD project, entitled "Trade, Environment and Investment", funded by the Government of Germany, is meant to explore the potential of FDI to contribute to sustainable development in host countries and help them achieve the objectives of Multilateral Environmental Agreements (MEAs).

## 5. Participation in multilateral deliberations and negotiations.

22. *Promoting active participation of developing countries in international trade and environment debate and policy-making.* One of the main objectives of capacity building in this area is to support the participation of developing countries in multilateral deliberations on trade and environment with a view to ensuring that their concerns are taken fully into account. The WTO secretariat has organized a series of regional seminars to brief trade and environment officials in developing countries on trade and environment issues in the context of the multilateral trading system in general, and the work of the Committee on Trade and Environment (CTE) in particular. The International Center for Trade and Sustainable Development (ICTSD) has organized “back-to-back” regional seminars for Government officials and the civil society. Discussions at the seminars went beyond the CTE agenda and provided an opportunity for various interest groups to articulate their views. The secretariats of UNEP and UNCTAD have also organized national and regional workshops for trade and environment officials and the civil society, hosted by developing countries.

23. *Reinforcing the participation of developing countries in international standard setting.* The International Organisation for Standardisation (ISO), through its programme for developing countries (DEVCO) provides assistance to developing countries with a view to boosting their participation in the ISO standard-setting process, e.g. in the area of environmental management standards. This assistance includes financing, through bilateral contributions, of travel expenses of delegates from developing countries to ISO meetings.

24. *Promoting the participation of developing countries in multilateral environmental negotiations.* Developing countries should be in a position to participate fully in multilateral environmental negotiations that have trade implications or involve trade measures. Some MEAs provide technical assistance to facilitate the effective participation of Parties in the work of the respective Conferences of Parties.

## II. UN-WIDE EFFORTS

25. UNDP has been assigned the responsibility of a task manager for capacity building, and, as such, is supporting capacity building efforts across the entire UN system, including the specialized agencies. As agreed at UNCED, UNDP's role includes: (a) acting as a lead agency in organizing UN-wide efforts toward capacity-building at the local, national and regional levels, and (b) mobilizing donor resources on behalf of governments for capacity-building in developing countries.<sup>10</sup> UNDP, in collaboration with UNCTAD, prepared a report on capacity building in the area of trade and environment as part of the UNDP series of monographs entitled “Capacity 21”.<sup>11</sup> Currently, UNDP is cooperating with other parts of the United Nations, e.g. UNCTAD, in regional and country projects on capacity building in trade and environment.

26. UNCTAD's capacity building activities are carried out through global, regional and country projects. In addition, training materials are being developed within the scope of TRAINFORTRADE 2000 Programme to support these activities.<sup>12</sup> A global project, “Strengthening Research and Policy-Making Capacities on Trade and Environment in Developing Countries”, funded by the United Kingdom Department for International Development (DFID) is being implemented in co-operation with the Foundation for International Environmental Law and development (FIELD). Another global project, “Strengthening developing countries' capacities to respond to health, sanitary and environmental requirements”, covers South Asia, Southern Africa and Central America and is funded by the International

Development Research Centre (IDRC) of Canada. A growing number of capacity building activities are being geared to the special needs of LDCs. The draft Plan of Action for UNCTAD X requests UNCTAD to pay special attention to identifying specific capacity-building needs of developing countries and promoting a broad programme of capacity building on trade, environment and the development.

27. UNEP plays a crucial role in mediating the trade and environment interface, including the negotiation and conclusion of a considerable number of multilateral environmental agreements (MEAs). In servicing the various MEAs, UNEP has developed a considerable expertise in scientific and technical issues related to natural and environmental resource management. This expertise has allowed UNEP to conduct a number of country studies on environmental assessment of trade liberalisation, which have enhanced the capacities of governments to undertake these assessments. A second round of such studies, which has just started, focuses on capacity building. UNEP is also carrying out country studies on the design of economic instruments for environmental purposes with a view to enhancing the capacity of developing countries to devise these instruments in the context of macroeconomic policies and sustainable development objectives.

28. ITC (WTO/UNCTAD) pursues capacity building activities along the following lines: integration of environmental considerations into trade promotion and export development strategies; provision of information services with a view to facilitating adjustment by developing country exporters to the increasingly rigorous environmental requirements in international markets; exploring commercial opportunities for the developing country exporters on the global markets for environmental technologies, services and goods; promotion of «green» products; and information and advisory services on the legal framework and operational procedures governing the imports of hazardous goods. Recent examples of these activities include the following projects: “WTO agreements implications for international trade and environmental industries”, with special reference to South-East Asia and the Pacific, financed by Switzerland; and “Organic food and beverages: world supply and major European markets”, financed by Denmark. The latter project was designed for food exporters in developing countries, including LDCs. The outreach of ITC’s activities has been increased through a series of business of round tables and workshops.

29. UNIDO supports in many ways capacity building activities dealing with environmental implications of trade-enhancing policies. Thus, its work on industrial policies and on trade enhancement, particularly in the areas of quality management and industrial estates and export processing zones, takes into account environmental consideration. Within the framework of the Montreal Protocol, UNIDO is assisting a number of countries in dealing with problems relating to the manufacturing of products free of ozone depleting substances.

30. The proximity factor provides the UN regional commissions with special exposure to the capacity building needs of their developing members. The regional commissions serve as regional focal points for preparations for and follow-up to global conventions and conferences on environment and sustainable development. They also monitor the implementation of Agenda 21 and the global environmental conventions, produce the state of the environment reports and service regional intergovernmental fora, such as the Forum of Ministers of the Environment of Latin America and the Caribbean or the Ministerial Conference on Environment and Development in Asia and the Pacific.

31. The Economic and Social Commission for Asia and the Pacific (ESCAP) has gained interesting experience in promoting capacity building through subregional arrangements such as the North-East Asian Subregional Programme of Environmental Co-operation (NEASPEC). UNEP, UNDP, the Asian Development Bank, and the World Bank provide substantive, financial and technical support to these



arrangements. The ESCAP project entitled "Integrating environmental considerations into economic policy-making processes" was instrumental in building member countries' capacity to devise effective institutional frameworks and conduct interdisciplinary analysis. Studies on trade and environment linkages in selected sectors have been conducted in China, India, Indonesia, Malaysia, Philippines, Singapore and Thailand. The problems of capacity building will be addressed by the Fourth Ministerial Conference on Environment and Development in Asia and the Pacific, which is to take place in Kita Kyushu City, Japan, from 31 August to 5 September 2000.

32. The Economic Commission for Latin America and the Caribbean (ECLAC) is helping its developing constituency build the legal, institutional and policy-making capacity to negotiate and implement environmental agreements. As part of a project on environmental policy trends associated with economic integration in Latin America, a study is being carried with a view to demonstrating how environmental regulations in importing countries affect exports from countries of the region involved in trade disputes. The project is financed by the Japan External Trade Organization (JETRO). A project entitled: "Growth, employment and equity: Latin America and the Caribbean in the 1990s", which is funded by the Government of the Netherlands and the International Development Research Centre (IDRC) of Canada, assesses the environmental impact of economic reforms such as trade liberalization, privatization, financial liberalization and export promotion, implemented in most Latin American countries in the late 1980s or early 1990s. Yet another project, to be funded by the German Agency for Technical Co-operation (GTZ), will identify new opportunities in services, equipment and environmental technology.

33. The Economic and Social Commission for Western Asia (ESCWA) is also increasingly active in this area. A recent Group Meeting, Environment and Trade Issues: the Impact of WTO Trade and Environment Decisions on the ESCWA Member States, organised by ESCWA in Beirut, in November 1999, is one example. Most of the recommendations of the Meeting concerned capacity building.

34. Several Multilateral Environmental Agreements (MEAs) contain provisions for building capacities in developing countries to deal *inter alia* with trade-related issues. These provisions cover training, information management, transfer of know how and institution building. Apart from the provisions in the conventions themselves, capacity building mechanisms have also been developed over the years through resolutions of the Conferences of Parties (CoPs). Certain activities are eligible for funding from the Global Environmental Facility<sup>13</sup>. However, financial constraints affect the extent of capacity-building activities, particularly if these fall under the purview of the relevant MEA Secretariats. For example, the level of funding for technical assistance provided by the secretariats of CITES and the Basel Convention has been low, and capacity-building activities often rely on bilateral funding.<sup>14</sup>

35. The civil society has an increasingly important role to play in capacity building. Both UNCTAD and UNEP are implementing projects in association with NGOs. For example, UNCTAD and the Foundation for International Environmental Law and Development (FIELD), are co-operating on a project, "Strengthening Research and Policy-Making Capacity on Trade and Environment in Developing Countries", funded by DFID.<sup>15</sup>

36. Similarly, some UN agencies are implementing projects in association with the business community. For instance, UNCTAD and UNDP have been co-operating with the International Lead Management Center (ILMC) on a project to enhance environmentally sound and economically viable management in the Philippines.

### III. WTO INVOLVEMENT

37. The WTO continues with its series of regional seminars on trade and environment for developing and least-developed countries and transition economies. A new series of seminars beginning in 2000 are meant for a more in-depth examination of the issues relating to GATT/WTO rules governing trade and environment. They will address the issues of particular concern to various regions, e.g. the impact of eco-labeling schemes on market access, or the environmental benefits of removing trade restrictions and distortions in specific sectors. As is common with these events, the WTO will invite other relevant international organizations, such as UNCTAD and UNEP, to share their experience.

38. In the past, the WTO organized annual symposia on trade and environment. In March 1999, a High-Level Symposium on Trade and Environment was held “back-to-back” with a High-Level Symposium on Trade and Development. The symposium enjoyed the participation of senior level representatives from trade, environment and development ministries as well as other government agencies dealing with matters relating to sustainable development. Intergovernmental organizations, around 130 NGOs and academic institutions, both from developed and developing countries, took part in this event. Financial assistance from donor governments made possible the participation of representatives from least-developed Member countries and developing country NGOs.

39. Upon request and resources permitting, the WTO holds national training seminars on trade, environment and sustainable development. It receives numerous requests for contributions to capacity building activities organized by other international organizations at the national and regional level, and tries to accommodate, to the extent possible, requests for holding joint international seminars.

40. WTO staff responds, on a regular basis, to queries of delegations and participates in NGO briefings. The Committee on Trade and Environment holds information sessions for MEA Secretariats, and the WTO Secretariat regularly keeps Member States informed about the latest developments in trade-related environmental policies. Trade and environment issues are also extensively dealt with in the short- (3 weeks) and long-term (12 weeks) training courses held at the WTO in Geneva for least-developed and other developing countries.

41. The WTO secretariat co-operates with the United Nations in the context of a global arrangement agreed in September 1995. In addition, special arrangements for capacity building have been made between the secretariats of the WTO and UNCTAD, including on trade and environment, as well as between the secretariats of the WTO and UNEP, specifically on trade and environment.

### IV. CONCLUSIONS AND RECOMMENDATIONS

42. Capacity building is crucial in improving ownership in sustainable development. It allows governments, businesses, NGOs and academic institutions to acquire the necessary skills and expertise to analyze and manage trade, environment and development issues and make policy choices with due regard to environmental sustainability and social equity.

43. Capacity building is instrumental in articulating the interests and views of developing countries in the international discourse on trade, environment and sustainable development. While consensus building is important, more emphasis should be placed on capacity building in examining trade and environment issues from a development perspective. In this regard, promoting co-operation between research institutes and NGOs is a promising avenue.

44. The needs and priorities of the beneficiary country should drive capacity-building programmes and projects. Governments and other stakeholders in developing countries have the responsibility to establish these priorities, based on prevailing environmental, economic and developmental conditions.

45. In many cases, capacity building needs to be accompanied by financial assistance and the promotion of access to and transfer of technology.<sup>16</sup> Well-designed capacity building programmes encourage continuous improvement in the ability to analyze and manage trade, environmental and developmental problems.

46. The Commission may wish to take stock of ongoing and planned capacity building programmes and make recommendations with a view to increasing their effectiveness and efficiency, identifying gaps, and promoting co-ordination and co-operation. In doing so, the Commission may wish to focus on the following issues.

47. *Information exchange.* The Commission may wish to make specific recommendations in the area of information exchange, e.g. through the use of Internet, which offers enormous opportunities to improve transparency, avoid duplication, strengthen co-operation and reduce costs.

48. *Dialogue.* The Working Group on Finance, Trade, Investment and Economic Growth may wish to promote a dialogue on capacity building needs and criteria during CSD-8, involving developing countries (“beneficiaries”), developed countries (“donors”), the United Nations, the WTO, the Bretton Woods institutions and representatives of the civil society.

49. *Co-operation.* Various co-operation arrangements have already been established between providers of capacity building services. In this context, it is important to identify institutions with advanced and replicable expertise.

50. *Confidence building.* It would be useful to examine how capacity building could contribute to confidence building and promote the conversion of views and positions held by various interest groups. In this respect, the initiative by UNCTAD and UNEP, in co-operation with the ICTSD and possibly other NGOs, to establish a Task Force on Capacity Building could serve as a useful point of reference.

## Notes

<sup>1</sup> Programme for the Further Implementation of Agenda 21, para. 29 (A/RES/S-19.2).

<sup>2</sup> The International Institute for Sustainable Development (IISD) and the International Centre for Trade and Sustainable Development (ICTSD) are preparing a more comprehensive overview of capacity building in trade and sustainable development.

<sup>3</sup> Veena Jha, Anil Markandya and René Vossenaar, eds., *Reconciling Trade and the Environment, Lessons from Case Studies in Developing Countries*, Edward Elgar, Cheltenham (United Kingdom), Northampton (United States), 1999.

<sup>4</sup> ESCAP, Integrating Environmental Considerations into Economic Policy Making Processes. Background Readings. Volume I: Institutional Arrangements and Mechanisms at the National Level. Country Studies on Fiji, Nepal, Philippines and Tonga, 1999.

<sup>5</sup> The TKN is part of a project aimed at building long-term capacity to address the issues of trade and sustainable development in developing country research institutions, non-governmental organizations and governments through increased awareness, knowledge and understanding of the issues. The TKN is funded by IDRC, IISD and IUCN.

<sup>6</sup> Similar projects are under preparation in other developing countries.

<sup>7</sup> For example, the UNCTAD secretariat, in collaboration with UNDP, is assisting the Government of the Philippines in setting up a multi-stakeholder panel, under the auspices of the Development Academy of the Philippines, to discuss suitable ways and policy approaches for enhancing capacity in environmentally and economically sustainable management of lead, taking into account trade provisions of the Basel Convention.

<sup>8</sup> For example in the promotion of partnerships, see UNCTAD/DITC/TED/Misc.7.

<sup>9</sup> So far, seven Regional/Sub-regional Centers for Training and Technology Transfer for the Management of Hazardous Wastes have been established by the Basel Convention.

<sup>10</sup> Agenda 21, paragraph 38.25.

<sup>11</sup> UNDP, *Trade and Environment* (the UNDP "Capacity 21" series of monographs, 1998).

<sup>12</sup> For a full description, see: Building Capacity in Trade, Environment and Development, UNCTAD's Technical Co-operation Programme. UNCTAD/DITC/TED/Misc.7

<sup>13</sup> For instance, the current three-year biodiversity conservation project in Gabon, funded through the Global Environment Facility (GEF), incorporates a component on management of wildlife trade.

<sup>14</sup> On the challenges and constraints regarding funding problems of the Regional/Sub-regional Centres on Training and Technology Transfer of the Basel Convention see: UNEP/CHW.5/5, 23 September 1999, pp. 10-11.

<sup>15</sup> This two-year project assists ten developing countries to (a) deepen their understanding of trade and environment linkages; (b) improve policy coordination at the national level; and (c) participate effectively in multilateral deliberations.

<sup>16</sup> Whereas transfer of technology is primarily based on commercial operations; funding support and technical assistance can facilitate the transfer and effective utilization of technology and know-how