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Excellencies, distinguished delegates, representatives of international organizations and civil society, ladies and gentlemen. It gives me great pleasure to address UNCTAD XI and provide UNEP's perspective on the interface between trade and environment, and sustainable development.

Trade as a means for Sustainable Development and Poverty Reduction

Trade liberalization should not be viewed as an end in itself, but as a means for achieving sustainable development, human welfare and poverty reduction. This has been clearly underlined by the World Summit for Sustainable development. To achieve this, we need to be able to effectively assess the effects of trade liberalization policies and agreements on the economic, social and environmental dimensions of sustainable development at the global, regional or national levels.

Managed well, trade liberalization can buttress the economic, social and environmental pillars of sustainable development by spurring economic development, providing employment and reducing poverty, encouraging new technologies and providing resources to conserve the environment.

Managed poorly, UNEP's experience demonstrates that trade liberalization can undermine the pillars of sustainable development, causing economic, social or environmental disruption. UNEP's work in this area, which is based on country studies, has underlined the fact that failing to mitigate negative effects can substantially reduce net economic and welfare gains from trade.

The nature and timing of trade liberalization, as well as the existence of appropriate policies, rules and institutions, play a key role in determining whether trade supports or hinders progress towards sustainable development. The challenge is to identify the role, nature and pace of liberalization suited to achieving each country's sustainable development objectives; to put in place the appropriate rules and institutions; and to measure the contribution of trade to these objectives.

Opportunities offered by the Doha agenda

Many developing countries remain unconvinced about the term "Doha Development Agenda". They argue that the "development" dimension remains to be reflected in the agenda. There are, nevertheless, opportunities in the Doha Agenda for sustainable development.

Some limited opportunities for promoting mutually supportive trade and environment outcomes arise in the WTO's formal trade and environment negotiations and discussions. These include increasing market access for environmental goods and services, increasing coherence between WTO rules and trade-related measures in MEAs, and improving information exchange between trade and environment regimes.

However, the scope of these trade and environment negotiations is limited and there are other opportunities to support sustainable development within and outside of the Doha Agenda. Within the agenda, negotiations on issues such as agriculture, services, and technology transfer all present opportunities and challenges for sustainable development. Outside the agenda, the proliferation of bilateral and regional trade negotiations also presents opportunities and challenges for sustainable development.

Although the WTO focuses on liberalizing trade, it does not systematically assess the effects of trade agreements on the economic, social and environmental dimensions of sustainable development at the global, regional or national levels. Thus, trade policies are developed without the information required to ensure that they support sustainable development, human welfare and poverty reduction.

To realize opportunities in the Doha Agenda, environmental and social objectives should be an integral part of trade, macroeconomic and sectoral policies. Moreover, sound environmental management is a necessary prerequisite for effective trade promotion, poverty reduction and sustainable development. In some cases - such as environmental goods and services - there are clearly win-win-win relationships between trade, environment and sustainable development. In other cases, environmental management will be required to ensure long-term benefits from trade. I would even go further by saying that environment should be seen as an opportunity for trade promotion and market access and not as a constraint for trade liberalization.

I was intrigued by a success story of a Ghanian farmer who shared his experience with us here yesterday of how he was able to penetrate the EU market. Ghanian pineapples was not able to face the fierce competition of Brazilian pineapple exports to the EU except for adopting environmentally

sound agricultural practices and going organic. This is a clear life experience of how a market niche can be created by adopting sound environmental practices. The success of the UNCTAD Biotrade initiative is another clear example of how the sustainable management and trade in biodiversity can effectively contribute to environmental conservation, promote trade through creating new markets, generate employment, and reduce poverty.

Efforts are thus required to assist countries to identify the linkages between environment, trade, poverty reduction and sustainable development in their specific context. Appropriate assessment methodologies and enhanced capacity is required to identify market and policy failures, and policy responses required to address them and ensure that trade promotes sustainable development. Countries need to diversify their products and reduce their reliance on one or two crops for exports, enhance productivity and reduce waste to enhance competitiveness and hence open up markets. Moreover, countries need to depart from developing trade policies in isolation, to developing trade in association with environmental, developmental and social policies if trade is to contribute to sustainable development and human welfare.

Strengthening Coherence and the Role of the UN

We need to continue to ensure that trade promotes the wider goals established in the WSSD Plan of Implementation, and the goals of the Millennium Declaration. Trade and trade liberalization impacts a number of areas that UN organizations are mandated to work in, including the environment, health, agriculture, tourism, development, human rights, and social development. Strengthening the UN's role in its efforts to promote sustainable development - including in the field of trade and environment - requires greater coordination and coherence between programmes launched and implemented by these organizations. Coherence between international and national policies is also essential if the challenges of sustainable development can be addressed.

UNEP, UNCTAD and UNDP for instance can enhance their cooperation to build the capacities of developing countries as part of a joint collaborative framework to ensure environment, development and trade are mutually reinforcing, including building on the joint UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development launched by the two organizations in 2000.

UNEP, in collaboration with the secretariats of multilateral environmental agreements (MEAs), UNCTAD, UNDP and the WTO, could also explore how trade can make a deeper contribution to realizing the promise of mutual supportiveness between the multilateral trading system and MEAs.

Enhanced cooperation with the Bretton Woods institutions is also as important. The Integrated Framework established between IMF, ITC, UNCTAD, UNDP, World Bank and the WTO, for example, could be expanded to include participation by UNEP on the environmental dimensions of trade and sustainable development.

The UN system need to contribute more fully to the WTO's technical assistance programme with focus on the possible effects of trade liberalization in different sectors on issues within their mandates (e.g. development, health, environment). The UN can and should play a key role in supporting governments to ensure that trade and trade liberalization is designed to contribute to sustainable development and poverty reduction. This includes strengthening national capacities to assess the environmental as well as the developmental impacts of trade-related policies, and responding to linkages between trade, poverty, environment by providing appropriate policy measures, regulations and institutions that help achieve sustainable development.

UNEP stands ready to strengthen its role in these efforts, and to work actively with other UN organizations such as UNCTAD, UNDP, FAO as well as the WTO and civil society to realize opportunities and address challenges arising from the Doha Agenda and the international trading system.

I would like to conclude by congratulating UNCTAD, its Secretary General Mr. Ruben Ricupero and his staff for the excellent work UNCTAD has done over the last fourty years in the field of trade and development, and the Government of Brazil for the excellent preparations for convening and hosting this Conference.

Thank you Mr. Chairman.