

## **Report on the Alliance of Small Island States (AOSIS) Workshop on trade, sustainable development and small island developing States**

The workshop was held at the Wyndham Rose Hall Resort and Country Club in Montego Bay, Jamaica from 12 to 15 December, 2001. Informal consultations, registration and preparation was held on 11 December.

### **Proceedings**

#### **Opening ceremony**

The workshop was blessed by The Reverend Edward Jennings, of Montego Bay.

**Mrs. Norma Taylor Roberts** (Ministry of Foreign Affairs, Jamaica) delivered the opening statement of the Minister of Foreign Affairs. The challenges facing small island developing States (SIDS) was highlighted as being quite particular, that they have added dimensions that other developing countries do not face. The interface of trade and development determined the responses that SIDS must provide. The underlying issue was vulnerability, as well as the limitations of the situations and circumstances of SIDS. New demands were made on natural resources, placing new strains on the environment. The acute stresses on SIDS were best exemplified by climate change. It was timely that the workshop was held in the post-Doha timeframe, and in relation to the preparations for World Summit on Sustainable Development (WSSD). It was hoped that the common cause of SIDS will prevail.

**H.E. Ambassador Tuiloma Neroni Slade**, Permanent Representative of Samoa to the United Nations and Chairman of AOSIS gave the introductory remarks on behalf of the group. He noted that Jamaica had some time ago expressed concern that there was limited cooperation and knowledge of many of the issues relating to trade. AOSIS cooperation on many issues of sustainable development had, in fact, stretched back for a decade, though perhaps less prominently about trade. In part, as of the Barbados Conference in 1994, because the Uruguay Round was still then incomplete and ongoing. It was important to note the unique and special concerns of SIDS, for they are different from other developing countries. SIDS do need to give emphasis to their few special advantages. He said that it was expected that developing countries must get a better deal out the new international trading negotiation round. Doha may seek to reach out to the developing world, but

it remains to be seen if it truly comprised the best deal for small island countries. Many larger developing countries were not enthusiastic about a new round of negotiations, but most SIDS considered that a new round promised benefits and therefore to be welcomed. It was in this new and challenging environment that the AOSIS countries gathered in Montego Bay. From his perspective, he expected the workshop would result in greater cooperation and collaboration. Relevant environmental agreements and inter-linkages must be explored for their linkages to trade. It was a timely occasion overall as AOSIS prepared for the WSSD.

On behalf of AOSIS, Ambassador Slade expressed gratitude to the Government of Jamaica for its generosity in hosting the workshop and for the excellent arrangements for it. He acknowledged with deep appreciation the support and generous funding contributions from the United Nations Environment Program (UNEP) and the Government of Norway for the workshop. He expressed particular appreciation for the excellent cooperation and continuing support of the SIDS Unit of UN DESA; and his thanks to the Mission of Antigua and Barbuda and the Mission of Samoa for their hard work and assistance in making the arrangements for the workshop.

#### **Session 1**

#### **Sustainable development and the trade and environment agenda.**

**Mr Charles Arden Clarke**, Senior Program Officer, UNEP, stated that in seeking a **post-Doha strategy**, impressions of Doha are being analyzed by a multitude of international organizations, including UNEP. The implication could be construed that many countries and agencies were looking for or interpreting the Doha text to suit their concerns. Increasingly, trade liberalization determined domestic policy choices. It had been said that the world had entered the third age of trade policy. The first removed tariffs, the second reduced other barriers, and now the international community was turning to look at agriculture and other trade issues for the purpose of sustainable development. Much depended on which actors engaged the trade issues at the country level – co-opting the forces of trade ministries with environment agencies therefore had obvious benefits for securing trade and sustainable development. SIDS must engage with the international community, otherwise their priorities would not be met. As a group SIDS would need common strategies, and thus draw the maximum for technical assistance, while enhancing their negotiating skills. Building on their climate change experience, and using their regional organizations, SIDS had a platform to start this cooperation. He noted that ten areas of the Barbados

Programme of Action for the sustainable development of SIDS (BPOA) had direct links to trade and finance. Integrating natural resource considerations into trade promotion and expansion would be difficult, but could maximize net development gains of trade by minimizing associated resource damage. Mainstreaming of trade into national socio-economic development plans would be required. SIDS must cooperate, coordinate and enhance their regional cooperation, and secure IGO and aid support. The defense of trade preferences and special treatment at the level of WTO was a further task that SIDS must tackle, and they must take charge of the capacity building offers that were there. The paper commitments in the Doha declaration on special considerations must be developed, and there was a need to look at coordinating across the trade related institutions such as MEAs and UN. The sharing of experiences, and gaining benefits from human and technical resources of civil society had produced a strong trend to bring on board NGOs in the negotiations and implementation. UNEP considered it important, and AOSIS could consider inviting NGOs to the next meetings. The needs of developing countries would be at the heart of the WTO work after Doha. Doha gave commitment to sustainable development and mutually supportive trade and environment policies. It stressed the involvement and enhanced cooperation between trade and sustainable development for the WSSD. The Doha declaration also recognised the importance of technical cooperation especially for LDCs. It encouraged environmental review of trade policies and clarification of the relationship of WTO to MEAs. Clarifying rules on fisheries subsidies would be important for SIDS, and the CTE would continue to work on the effect of environmental measures, eliminating distortions, examining TRIPs and labeling requirements. Sustainable development and MEA issues were being raised in various fora of the WTO, including preparations for an international framework for investment and work program on issues for small economies. UNEP had a work program in support of these issues and focusing on enhancing environmental concerns in MEAs and in WTO. There was also joint work on capacity building with UNCTAD. SIDS should utilize the experiences gained and use the organizations that were there, as well as the UN system.

**Questions and comments** were raised by Fiji, Mauritius, Cyprus, Solomon Islands, Cuba, Barbados, Samoa, Bahamas, Jamaica, Comoros and the Commonwealth Secretariat.

In the **discussions** it was suggested that trade and finance issues and their links to environment were looked at simply in terms of unintended economic effects. Environmental degradation must be viewed not as a simple outcome of the economic development, and the absorption of costs must be addressed. Coordination must be improved, at international as well as at national level. Trade negotiators had been focusing on broader trade issues, without taking the environment into account. SIDS also faced special constraints. Special treatment was therefore going to be crucial, especially for capacity building. While this was recognized in Doha, it required elaboration as to what SIDS specifically needed. Concerns were expressed that Doha only concentrated on how environmental protections affected trade, and not how trade affected the environment. Fisheries subsidies was an especially important issue. SIDS must engage in the negotiations on those fisheries issues. Issues relating to localization of fleets must also be taken into account. There was an increasing understanding that there are numerous impacts on sectors other than trade. There are advantages and economic savings to engage in regional cooperation. But this could not substitute for national coordination, and there was a need to find innovative ways to support cooperation. Streamlining environmental governance would have to be addressed at the WSSD. One issue that was left out of Doha – the interface between trade measures and MEAs – was a very controversial issue that will eventually occur when a WTO and MEA member took measures against a non-WTO member.

It was also commented that Doha gave special and differential treatment only partial consideration. There were serious legal and practical considerations that would determine whether SIDS would retain their special status. Capacity building constraints were familiar to smaller delegations. The private sector must also be engaged as they had insights and expertise not available to the public sector. But capacity building resources were often lacking. In adjusting to new rules and regulations from WTO, SIDS would require special consideration. Concern was expressed that the private sector would loose out due to lack of information, and may required specialized advice. There was clearly a need for bringing more SIDS to the WTO negotiating table. The trade and development committee was mandated to make the rules by 2002. So on preferential treatment the discussions had already commenced. The flexibility that SIDS sought must be defended at the meetings in Geneva. As a group they had not made the case for sustainable development in trade. The Doha text was the final provision

agreed to at the last session, with no SIDS present. This must be rectified, and SIDS must have greater clarity of their positions and greater unity.

A question was raised as to whether UNEP could assist with regional cooperative arrangements, or to set these up. It was indicated that UNEP does have a mandate to assist the developing countries, and would seek to continue its participation fund for major meetings. There would need to be a realistic view of what could be done for regional cooperation, and SIDS should submit proposals for capacity building so that UNEP could judge what was required, and what could be done.

**Mr Espen Ronneberg**, Inter-regional Advisor for Small Island Developing States, United Nations, introduced the manner in which **trade and agriculture** had been covered in the BPOA. As a conceptual matter it was very difficult to generalize for all SIDS. There were many similarities, such as the influence of vulnerability and external factors, but overall the agricultural situation and endowment of SIDS varied greatly. The trends for each country were also determined by the most dominant sector of the economy, and the impact of trade and agriculture on that sector. The example of the SIDS where tourism played a significant role was briefly discussed. In the Barbados Program of Action trade was largely seen as a means of implementation, while agriculture was considered from the perspective of maximizing the natural resource endowment of SIDS. In the current trade situation it was unlikely that the trade preferences of old would be maintained. Yet the special situation of SIDS demanded that consideration be given to leveling the playing field. The possibilities for cooperation using SIDSNet were mentioned, and the need for better cooperation and coordination raised.

**Questions and comments** were raised by Cyprus, Mauritius, Barbados, Malta, Fiji, Trinidad and Tobago and the Pacific Islands Forum Secretariat.

In the **discussions** it was noted that the food crop sector would most likely suffer from declining prices. The need to have an agenda to mitigate the declining wages in the agricultural sector would not necessarily be able to ensure the survival with high production costs in SIDS, for any sector. What was needed was to take a stand against the industrialization of agriculture and the environmental impacts thereof. SIDS must strategize with respect to the definition of SIDS as a concept for the post-Doha period, as it seemed that the WTO would only accept the concept of small economies. Trade

liberalization for SIDS involved agricultural competition, but many SIDS were net importers of food and, with the total food import bill rising, are not able to compete with the outside world. Agriculture had a multi-faceted role and was close to the core of many SIDS societies. It was an uphill battle to gain recognition for this concept. It was now clear that capacity building was crucial for SIDS. To conform to all the agreements will cause great burdens on SIDS economies. The issue of sustainable development as a whole needed to be looked at, and how agriculture affected industrial production and in turn was affected by it. A falloff from agricultural sector was to be expected but must be managed.

**Ms Paola Deda**, Program Officer for Sustainable Use and Tourism, Convention on Biological Diversity Secretariat, spoke on **tourism in SIDS** and its relation to sustainable development. It had been recognized that this sector had great potential for raising earnings, but could also cause a lot of degradation. The BPOA had identified the importance of the sector, and the Convention on Biological Diversity (CBD) had studied the opportunity for economic development and the growth of related activities due to tourism. The direct use of natural resources in the provision of tourist facilities may have a significant impact on the environment. The BPOA highlighted the importance of preserving biodiversity and culture. Tourism could limit access of locals. There was a shared recognition of the need to carefully plan tourism within the carrying capacity of SIDS, and should be prevented from using environmentally fragile areas. The need for guidelines on tourism development led the CBD to work on guidelines for activities related to sustainable tourism development. The guidelines are targeted at policy makers as well as tourism managers; and addressed certain main aspects and steps to be taken in management. It must involve all stakeholders, have a vision and goals for national sustainable development of tourism, and ensure a transparent decision making process. Public education and awareness raising were required for better understanding of the impacts of tourism on biodiversity. Equipping local communities with the tools for analysis of impacts of tourism development was important. The CBD work will be submitted to WSSD and to the World Ecotourism Summit in May 2002.

**Question and comments** were raised by Mauritius, Fiji, Cyprus, Malta and the Chairman.

In the **discussions**, the importance of tourism was underlined, keeping in mind the impacts on SIDS. Trade officials often viewed the tourism sector as

a trap. Diversification from mono-culture in agriculture often resulted in mono-manufacture, which had now diversified to the mono-service of tourism. To what extent this single important sector could be sustained was an issue that prevented many SIDS from moving up to other knowledge based service sectors. The consistency of the CBD guidelines with the World Tourism Organization was raised. The need to balance tourism with ecological commitments such as the Global Code of Ethics was highlighted. The priority must be to sell these ideas to the tourism officials, who often had more clout than environment officials, while the same goes for the large tour operators. Tourism growth was a reality and there was a need for practical solutions right now. Economic concerns in general also had regulatory impacts.

## **Session 2**

### **Financing for development**

**Mr Amena Yauvoli**, Permanent Mission of Fiji to the United Nations, presented some of the main issues being discussed at the International Conference on Financing for Development (FfD). The entire developing world was interested in the broader sense of FfD. The growing disparities in wealth and between countries was a great concern. It had been estimated that a billion people lived in poverty, 850 million of them being illiterate. The changing economic landscape had brought new attention to the underlying issues for financing for development. The Millenium Declaration initiative to reduce poverty by 50% will take a lot of effort. There are basically 6 thematic issues – domestic resource mobilization, FDI, trade, ODA, external debt and structural issues affecting the system. These challenges, or problems, should be broadly debated by AOSIS. SIDS were in a phase of rapid globalization, but are still vulnerable and weak economies. There must be effective and active participation, as SIDS can only gain from the process in such a manner. Mobilization of domestic resources was more difficult for SIDS than other developing countries, since they had small private sectors and have greater dependence on external resources. The World Bank had recognized the vulnerabilities over which SIDS had no control and against which they had little resilience. Trade was a most important factor for SIDS, but their ability SIDS to expand trade was limited. There was a need for some recognition of preferential treatment and accordingly appropriate market access. Capacity building and technical assistance were significant challenges. Standards and technical issues in the WTO framework, such as the phyto-sanitary agreement, would have impacts on SIDS and must be

addressed. Volume and quality of ODA were declining, but remained major factor for SIDS economies. Smallness was often equated with risk. External debt and debt relief were different in nature for SIDS in that SIDS are not all in the same situation of the HPIC. SIDS in New York had tried to make these points to the facilitator during the FfD process. Financial markets were too focussed on short-term profit instead of longer term sustainability. ODA was multi-dimensional and of great importance to SIDS. The difficult issue now would be how to articulate SIDS concerns with the systemic issues relating to how the international community addressed the concerns of the most vulnerable communities.

**Dr. Roman Grynberg**, Deputy Director, Commonwealth Secretariat, spoke of the **initiative to developing a supportive financing for development**, to try and find an alternative to trade preferences. The underlying causes were both inherent risks and perceptions. It was important to determine what could be done to stimulate investment in small and vulnerable economies (SIDS and LDCs). There was erosion of trade preferences and there was a need to replace these with investment preferences in a market friendly way. The question was how to give incentives to the market to locate and invest in small economies. The FDI climate was essential, as was the need for stability of political and legal systems. The example of Samoa was mentioned, as Samoa was well governed but is an LDC at the end of the Pacific. The problem, shared by all SIDS, was how to attract investors to invest in a small economy like Samoa. Financiers had specific targets for returns on their investments. Investment funds concentrated on larger scale projects. International financial institutions emphasized removal of market distortions. There were some inherent impediments to investments, but some were only perceived, such as wages in remote areas. Structural adjustment would only do so much, and also reform of land laws. Organizations do intervene to reduce the risks, for example World Bank or EU, but are becoming non-concessional and are now mostly contributing straight loans. This may drive out the private investor. The proposal to establish regional funds with ODA and loans had been discussed as an option. There must be a way to provide the investment as a form of subsidy to development. If there was no private investment, then you either subsidize or you walk away from SIDS. Which would mean an admission that globalization would not work for SIDS. We must therefore help the private sector overcome the inherent difficulties without supporting continued inefficiencies. Commercial banks were gaining interest and should be brought in as partners. It was working through market mechanism even though it did create some distortion. A



possible solution would therefore be to set up the Investment Preference Fund as a partnership between World Bank, commercial banks, donors and others.

**Questions and comments** were raised by Bahamas, Cyprus, Papua New Guinea, Trinidad and Tobago, Jamaica, Barbados, and Samoa.

The **discussions** centered on concerns that the FfD was not that targeted or accurate on systemic issues as this relates to SIDS. SIDS must be involved in the decision making process, so that any additional resources towards development goals as may be needed, had been asked for and should be considered. There was the impression that SIDS may not be realistic in getting commitments from the development partners. Concerns over trade and earnings from trade were discussed, and where that sat in the FfD document. There was still a need to look at where SIDS needed targeted technical assistance. ODA must be raised to 0.7% by the time of WSSD. But it remained to be seen whether this would be achieved. There was a convergence of opinion that the quality and quantity of ODA must both be increased, but it may not be reached because of the economic effects of the 11 September terrorism attacks in the US. Many were concerned that the proposal must be looked at in the context of general resistance to preferences. The developed partners had anticipated this investment preference system and were looking at avoiding investment competition. It will likely run against same roadblocks as trade preferences did. In terms of the timing of the FfD process, the upcoming AOSIS Singapore meeting may be a good opportunity for developing links to the WSSD. Sound economic advice from those experts between now and the Monterrey meeting would be required. It was also understood that the Commonwealth proposal followed the basic principle of what private investments were given to SME within the OECD. Similar treatment should be considered for SIDS. Disadvantaged countries should be treated as OECD treated its disadvantaged regions.

### Session 3

#### Regional co-operation on trade, environment and sustainable development

**Ms. Anya Thomas**, Project Officer, Caribbean Community, highlighted some of their work on **regional cooperation**. She described the various actors and membership of the regional mechanisms. Private sector

cooperation was involved in trade but not with environment. The international support for the multilateral environment agencies was causing changes to occur in the region. Some successes had been documented for the region primarily for trade in the private sector. There was a regional agreement with the Caribbean basin. The establishment of a Caribbean Court of Justice to replace the current Privy Council arrangements had caused a lot of interest. Integrated management of the Caribbean Sea and GEF funded projects to promote renewable energy in the Caribbean were also underway. Strategic priorities would look at the trade and macro-economic policies of the region. CARICOM was looking at furthering the renewable energy alternatives for the region. Social education and legal systems promotion, multi-sectoral collaboration between SIDS, their private sectors and agencies would be required.

**Questions and comments** were raised by Trinidad and Tobago, Jamaica, Haiti, Marshall Islands, Antigua and Barbuda, Comoros and UNEP.

In the ensuing **discussions**, mechanisms to deal with cross-cutting issues in the Caribbean was considered. The involvement of the private sector in trade negotiations was lacking, and consideration was given to what could be done to gain improvements. The need for a collective voice within the various MEAs, and clearer lines of communication between capitals and missions was also raised. The realities of the situation and limitations of resources caused some difficulties. There was improved coordination but this could still be improved. The recent meeting of Finance and Environment Ministers was very helpful. There was a large degree of separation of trade and environment in perception. But environment issues had a very high influence on trade.

**Ms. Emma Ferguson**, Economic Advisor, Pacific Islands Forum Secretariat, spoke on the fairly broad scope for involvement in **trade cooperation between the Pacific Island Countries**, seeking to make the most of the opportunities for the Pacific SIDS. What roles can the regional institutions play? The Forum was working to have a coordinated approach to international organizations. So far only 3 out of 14 Pacific Island countries were members of WTO. However, the development of trade and environment issues was important to all 14 countries. The trade and environment committee of the WTO would be important for the Pacific to monitor. Fisheries subsidies would require coordination. The region had stressed that it must have a local component for fishing fleets. MEAs focus

for WTO was difficult, and have to be weighed against the package of support SIDS get from membership. Getting SIDS voices to be heard required constant presence. The Forum will work on supporting a permanent presence in Geneva. Ability to respond to the changing regulations required support to the SIDS. The regional agencies were working together to develop an appropriate framework on trade and environment. In the FfD and WSSD the region was working to develop a greater base for agreement on the priorities. Intellectual property rights was an important issue at the regional level to take account of traditional knowledge of biodiversity and culture. The development of the Pacific Islands free trade agreement was a plan for 10 year gradual regional trading to be promoted. The creation of the free trade area would only cover 5% of goods traded in the region and may assist trade development. The Secretariat was seeking common issues with other regional organizations. There was need for a consistent message from trade and environment officials. Building national capacity was needed to fulfil the coordination issues. Many trade and environment issues were there but must be prioritized. Regional cooperation required solid engagement. Monitoring of the impacts of trade liberalization on SIDS, may change over time.

**Mr. Matt McIntyre**, Environmental Assessment and Reporting Advisor, South Pacific Regional Environment Program (SPREP) had looked at **developing a trade, investment and environment program**. The main focus was to integrate environment and development. They had looked at the links of responsiveness and needs assessments. They had also looked at the provision of regional sustainable development policy coordination and environmental law services. Coordination was both top-down and bottom-up. They had realized that there was a need to coordinate and to set up the linkages. The program on trade had the focus of “retaining the benefits”. Countries in the region had requested action and had demanded cooperation and coordination, and wished to utilize the regional expertise, while also engaging in discussion and partnerships at the international level. The programme sought to increase awareness and to scope out the main issues and concerns. They would then build the strategic responses, through periodic reports and newsletters, and participation in regional events and meetings. Involving the private sectors in debates would be required, as would developing distinct discussion papers on the key issues. The development of regional frameworks and establishing in-country implementation mechanisms was needed. Studies had focused on the available reports from the region. Incentives for renewable energy

investment was one such area. SPREP was also developing views on the implications of WTO, and possible conflicts. They were also exploring the economic openness issues such as colonial ties and historic isolation. It was necessary to look at the precautionary principle and the need to explore the ways and means of explaining and defending it. There was need also to look at integrated decision making systems, as well as information sharing among SIDS to establish the common needs and to develop the regional and inter-regional cooperation.

**Questions and comments** were raised by Barbados.

**Mr. Nicos Georgiades**, Director, Environment Service, Cyprus presented the findings of the **Mediterranean Commission on sustainable development**. They are seeking to develop a framework that would be functional for the region, which encompassed a great diversity of societies. The wish was for a regional prosperity zone by 2010. The broader context was the establishment of a Euro-Mediterranean space. Funds were provided for by the EU. There was extreme diversity in the region with substantial difference in net flows of direct investments. Tariff barriers had also been reduced at different rates as well as at different time frames. The study was now on how the environment of the region was affected by trade. There was insufficient integration of environmental concerns with trade. Lack of consultation was a problem, and there was no regional system to monitor. But there was stress on environmental sustainability concept enshrined in the prosperity zone. There was need to focus on the possible impacts of trade on the environment, a complex issue, and to anticipate many of the changes that are yet to come. For example, looking at textile industry in Turkey or agro-food industry in Tunisia. Growth was expected, yet was not guaranteed. Increased FDI was also expected. Easier access to environmentally friendly technologies was needed. There may be opportunities for skipping negative stages of development. Negative impacts may be lower resources from import tariffs and hence less money for social priorities. May also result in changes in consumption and pollution. Positive aspects would be reflected by the export oriented industry while negative impacts would be felt by domestic production oriented industry. There would be increased disparities among companies, and keener competition in the region, especially in tourism. Renewal of the motor fleet was seen as the only positive aspect of impacts on consumption. Substitution of locally produced products with imports would prevail in the start up phase. Agriculture would have some benefits but mainly negative such as a lowering of incomes in the agriculture

production sector. There could be effects on social cohesion. The region was therefore looking at getting a shared vision on what could be done to mobilize society, to get integrated approaches and to develop cooperation. Need to strengthen the environmental aspects of regional trade agreements and allocate necessary funds and cooperation. Need to consult with both trade and environment officials. Develop compliance standards and code of conduct for investment practices. At the national level there was a need for establishing monitoring mechanisms. At the sectoral level there was a need to look at multi-functional aspects of agriculture for the Mediterranean region. There was need to acknowledge the priority of including sustainable development in any free trade agreements.

**A comment** was raised by Marshall Islands.

#### **Session 4** **Understanding the multilateral trading system**

**Mr. Jorge Vigano**, Counsellor, Trade and Environment Division, World Trade Organization (WTO) spoke about the **process of accession** as having been both complex and simple for different countries. WTO had been confronting these matters since 1995. In the Doha declaration China's accession was welcomed, and the hope expressed that the rest would progress smoothly, and to accelerate the LDC accession. It had been recognized that the process had been long for these countries. It had become more of a factor. There were three parts to accession, and there were costs at all stages. The first part was administrative, for a country to request participation in the council. A memorandum containing trade policies of the country was required, to be followed by questions and answers from a working party of members. Need to be consistent with the WTO rules. It was becoming a more complex agreement. Dealing with a greater scope of legislation and coordination. There were at least two parallel processes – the clarification by the question and answer and the working party. It was complemented by the bilateral negotiations. He mentioned the case of a seven month process of getting acceptance for a country's services policies, while in another case it took two months. Those examples could be compared with a five- year unsuccessful accession period today. Requests made to countries were now rather demanding. The degree of difficulty was at least perceived to be greater. Other arguments relate to the growing number of members. How do countries take advantage of the opportunity for changes as a result of the package of accession. Evaluating the process was

something the Government would have to do. If a country were dependent on preferential access it would not be easy to get immediate benefits. The benefits of accession to the largest free trading system was obvious. It was less clear how Governments perceived the demands placed on them by accession. Participation in the system was one aspect, but there were also the costs of implementation. The process did not conclude with the accession. The different commitments were included in the protocols of accession, and these were probably the most costly post-accession. Some measures were probably easier, while others could be difficult. Could involve a lot of legislation, e.g., on intellectual property rights that may currently be covered by multiple pieces of legislation. Participation was all important. Needed to put in place the expertise in national administrations and resources for actually being present at WTO. WTO rules were also becoming a specialized field. Difficult for small countries to follow all issues, and there were limitations on the expertise. There had been recognized a need for technical training programs for developing country trade officials. Trying to put in place assistance for those that were not represented in Geneva. To get current and actual information out there on matters being debated at WTO. Nothing could replace the actual presence. But even that was very expensive with parallel meetings. Regional cooperation and the sharing of expertise was important. Establishing alliances with other like-minded countries had helped many developing countries. The process was being simplified by electronic means, and by strengthening the training programs.

**Questions and comments** were raised by Mauritius, Papua New Guinea, Fiji and Cyprus, and the Commonwealth Secretariat and ECLAC.

The **discussions** highlighted the importance of the work program for small economies. If AOSIS members were not yet WTO members they still needed to be involved in the negotiations. Participation was important. There were more than 20 main issues in the Doha declaration, and SIDS had stiff deadlines. The difficulties for SIDS in the accession process needed to be covered and discussed. If these proved too onerous, SIDS must not be silent on the matter. Many issues arising from Uruguay round still needed to be fully digested by SIDS. The difficulties for SIDS were on accession as well as in attendance and negotiation. Smaller countries in some SIDS regions were complaining about the burdens of membership, for they seemed to outweigh the perceived benefits. The nuts and bolts of participation for these countries were difficult, and they may need to have these elements in place before they entered into actual accession. Negotiating techniques were

needed as well as better understanding of the implications of various regulations. Missions in Geneva were expensive and also needed domestic counterparts. Implications of content of WTO and other treaties, and their interactions must be understood. Advice to Governments was needed. The issue of SIDS in relation to costs of WTO had been studied closely. Coordination of national positions and exchange of information must be improved and built into the system with appropriate support. Support was voiced for the need for SIDS to join the WTO as the benefits were significant. Transparency and openness were clear benefits to SIDS. The process may be painful, but was beneficial as it was more than simply trade but also looking at more than tariffs, and dealt with the improvement of economic governance at the national and international level. The world had profoundly changed. Rules and regulations were being written in the absence of SIDS in Geneva. From that aspect, the process was inherently flawed. The applicant must come to terms with the other members, who were the ones that set the commitments. WTO members sat in judgement on the applicants trade regime. Accession was not rule based, and needed to be, through the creation of a panel of experts to make the review, and make recommendations to members on what needed to be done for accession. There was a need for countries to decide on national priorities. Shifting resources would be needed. For small countries it was beneficial to purchase the outside services, rather than expand the civil service.

**Mr. Vigano** then presented some views on the **Committee on Trade and Environment**. In 1971 the EFTA countries raised these issues, but these were not really negotiated until 1991. Some agreements arising from GATT mentioned the need for trade and environment considerations. Accusation that WTO stood in the way of environmental protection was commonly heard at protest rallies. WTO CTE had discussed the issues from different aspects such as impact of access to markets, as well as legal relationships. Concentration on the main area of how environmental measures taken could have negative effect on access to markets. There were examples of heavily protected economies, perhaps set up from environmental reasons, but required consideration if they were legitimate and appropriate. There were some very complex reports and studies on these issues, and they linked the work of CTE to other groups. Countries needed to keep track of all these. Issues such as labeling, the role of TRIPS and CBD, would result in a work program that would keep both the countries and the WTO busy. The question was raised as to the need to clarify the WTO rules and hence the relationship to MEAs and domestic environment measures. The whole

process had not been that finely delineated. Important issues remained to be resolved, including how the CTE and CTD would allow for the discussion of non-trade concerns about environmental protection, and the differentiation between environment and development on the one hand and the concept of sustainable development on the other.

**Ms. Deda**, Convention on Biological Diversity Secretariat, spoke of the holistic **approach of the CBD** that sought to harness the positive effects of trade as well as preventing the negatives. There was a need to internalize the costs and prevent negatives. The text of the CBD did not proscribe specific measures nor did it mention trade specifically. A number of guidelines had been established to assist Parties. The main issues were the protection of traditional and indigenous knowledge, as well as the article on access and use of genetic resources. The relationship with WTO needed to focus on win-win situations and avoid the potential for conflict. The CBD could guide the protection and use of biodiversity without raising conflicts with WTO. Granting of observership in the CTE was significant. The Biosafety Protocol had clear objectives for safe transfers and handling of LMOs. Transboundary movements were potentially trade related. The legal language stated that the Biosafety Protocol should not cause a change in the rights under other agreements or subordinate the Protocol to others. While sound science was basis for the WTO rules, there was also the use of the precautionary approach under biosafety. The provision for provisional measures was significant. The TRIPS agreement could have impact on CBD, and the issue remained controversial. While TRIPS focused on standard intellectual property rights such as patents, this was difficult to reconcile with traditional rights. Inter-relationship must be explored and developed so that there was clarity. It had been suggested that the TRIPS agreement should include a statement on the origin, agreement and benefits given to communities. The Doha statement was an important step forward in this regard. On access and benefit sharing there was now a draft Bonn Guidelines on Access to Genetic Resources. Incentive measures were being debated for future cooperation.

**Mr Charles Arden-Clarke**, UNEP, noted the large numbers of MEAs with very different officials governing their operation. There was often lack of cooperation between various environment officials, let alone with the trade officials. The two systems must be brought together in order to secure synergies for sustainable development. The current UNEP process was an informal one bringing in trade people, IGO and NGO representatives. UNEP was seeking financial provisions for participation of developing countries,



which was important for success. The development of next steps was seen as the means of focusing on unrealized opportunities for MEA and WTO to work together. Enhanced interaction between the WTO and MEA negotiators, as well as between the secretariats would help. UNEP was seeking to convene back-to-back meetings in Geneva before the CTE. Recommendations for action relating to enhancing institutional cooperation, e.g., in joint policy analysis, could then be developed. A joint study on compliance systems of WTO and MEA had been carried out, and also the development of joint capacity building efforts. UNEP was also seeking to develop joint cooperation on the governance aspects. There were three provisions of the TRIPS agreement that related to the transfer of technology. Increasing information flow was needed for improved decision making. And enhanced national level coordination. Exchanges on dispute settlement had started. The need to develop policy tools for supportiveness, and the use of economic tools in the MEAs that minimized trade distortions was also being looked at. Environmental and integrated assessments of trade related policies, e.g., in terms of the CBD impact of trade liberalization effect on agriculture. A checklist on the use of trade measures in MEAs to maximize synergies could also help. Doha had clarified that the WTO rules and MEA rules needed to be sorted out, but only when looking at measures taken by countries parties to both the WTO and to the MEAs. It was noted that the focus so far of WTO had been narrowly on potential conflicts rather than on actual synergies. The use of trade measures as a tool of MEAs was seen as a primary problem, and there was need to avoid the controversial issue of looking at WTO compatibility of MEA trade measures applied to non-parties. AOSIS needed to determine which were the most important MEAs for AOSIS, and assess the importance of trade measures in the effectiveness of those agreements. For the WSSD, there were considerations between the global level governance of the economy and of the environment.

**Questions and comments** were raised by Trinidad and Tobago, Antigua and Barbuda, Cyprus, Tuvalu, Jamaica, Cuba, Marshall Islands, and Malta, and UNCTAD and ECLAC.

In the **discussions**, the need to put the issue on the WSSD agenda was raised. Trade officials were questioning the supremacy of conflicting demands. The protection of traditional knowledge was also seen as important, as these could not be protected to the same extent as western medical patents. The complexity of the issues for developing countries and especially for SIDS was becoming clearer. The best avenues for supporting

mechanisms, bringing together all officials but especially trade officials for sustainable development, and the integration into the trade system of environmental concerns of SIDS would take a lot of effort. There was need for special attention to avoid trade obstacles while also addressing specific sustainable development concerns. In terms of the relationship of WTO and MEAs, there were some inconsistencies which would cause fundamental concerns. There was great potential for loss of trade. The use of the precautionary principle was not fully accepted under the WTO and was a fundamental discrepancy. The requirement for an overarching dispute settlement and compliance mechanism for MEAs and for other relevant bodies was considered. Developing the guidelines for compliance was one task, but a global environment system would not be possible at this time. Trade related measures taken by the environment authorities were being considered in terms of how they would impact on production. Physically identical products could not be discriminated against on the basis of production method. There were reasons allowed under the WTO for environmental protection issues. Clear trend towards a more environmentally friendly application. SIDS should have clarity in determining what trade related measures they wished to take in the implementation of MEAs. The special case for SIDS and their marginalization from globalization needed to be addressed at the WSSD. Environmental justification of the measures will be needed.

### **Session 5**

#### **Capacity building**

The chairperson noted that the context of trade and sustainable development had placed increased pressure on small economies. In a range of multilateral fora there was a growing awareness of the need to have wider cooperation. The common work of the ACP and EU gave emphasis to this. While there was environmental protection this was in the context of economic activities. Capacity building was all important. WTO aspects aimed more for technical assistance had been found to be inadequate. The failure of developed members obligation to promote capacity building and technical assistance was worrisome. In regards to multilateral agreements, there was a lot on offer but are not always coordinated, and face economic constraints. The process of capacity building must integrate free trade as well as technical assistance programs.

**Ms. Denise Forrest**, National Environment and Planning Agency, Jamaica, spoke on their process of **developing the environmental management systems policy**. Sustainable development was a commitment for the Government, and had looked at developing an action plan for the country. Jamaica does have a sustainable development council, and tried to put in place the appropriate policies. The gap between actions and plans was clear, and thus the Environmental Management System was seeking to address this. There were global imperatives. Changes in business practices and how consumers looked at, e.g., waste management. Agenda 21, and looking at the tools that could be used, was the basic platform for sustainable development. Jamaica had decided on an approach that was institutional and regulatory in function. Following the lead of other countries, Jamaica had looked at sectors like coffee, and the use of green labeling for sustainable development practices. The private sector had company arrangements for EMS. Many countries had policies aimed at the greening of government policy. Jamaica was thus seeking to integrate the policies, based on a number of guiding principles. Natural resources were the basic national capital and must be managed in a sustainable manner. Polluter pays principle as well as the user pays principle had to be applied. The policy was aimed at creating a better informed citizenry. Goal was to have EMS across all sectors, and strengthening the legal framework. Jamaica would build the capacity within the organizations and various groups, and strengthen the legislative measures with effective sanctions and incentives. An informed citizenry could be an effective partner, and the Government would make public the records of pollution.

**Mr Matt McIntyre**, said SPREP had been cooperating with the Pacific region to overcome the lack of **data systems and reporting**, which was one of the major constraints. There were gaps in geographic and environment data collection and dissemination. Countries were developing capacity in some environment areas, but this had not resulted yet in an integrated approach. The focus was on developing integrated decision making systems. At this stage there was an initial drive to establish the environmental management systems. Frameworks and criteria needed to be developed and introduced. Participation was very important. The ability to use market based mechanisms and standards could then be set up. Eco labeling needed to be pushed further. Better access for trade was part of the problem, but without appropriate frameworks it would not work. Capacity building for, e.g., land management must be looked at. The need to push the awareness and involvement of civil society, and integrated decision making that could

be based on the WTO principles and rules, had been recognized as important by the region.

**Ms Anya Thomas**, CARICOM, reported on the functioning of the **Regional Negotiating Machinery (RNM)**, which was set up as an integrated and participatory mechanism with all relevant stakeholders for WTO. The RNM had worked in establishing regional goals and had achieved successes. There were now a great deal of special skills and capacities which would be needed by the countries and the RNM.

**Mr. Rene Vossenaar**, Chief, Trade, Environment and Development Section, UN Conference on Trade and Development (UNCTAD) spoke of the broad **program of support for SIDS on studies on vulnerability**. UNCTAD was preparing a special publication on SIDS vulnerabilities, in which trade and environment were major factors. They were discussing ways and means of establishing support mechanisms for analyzing the post-Doha period, and were looking at what particular fields and areas of cooperation could be pursued with SIDS. The relationship to implementation issues and WTO was discussed. While UNCTAD had given this priority and could see that there was some inclusion of these concepts in Doha, these now needed to be fleshed out. Capacity building in training, thematic studies, policy dialogues and country studies required further effort. UNCTAD would like to receive capacity building proposals from SIDS. A workshop on trading opportunities for organic agricultural products would be held in Brussels in February 2002. Market access and niche markets, traditional knowledge and MEAs were likely to be discussed. Making best use of enabling measures should also be considered.

**Mr Taholo Kami**, Small Island Developing States Network (SIDSNet) explained the background of **SIDSNet** and its working arrangements. It was established almost as a default website on island sustainable development, to address how the exchange of information could be made on an inter-regional basis. When meetings like the AOSIS workshops were held there was a lot of information from member countries, but there had been little or no dissemination, and therefore of impact, outside of such meetings. There was a need for the top officials to have good knowledge of other regions. By establishing standards of meeting records this could become available to all stakeholders. An island development portal could then be a significant tool. Putting the information in as well as utilizing the information was an ongoing process. SIDSNet had sought to conduct training to enable

information to be used effectively. It was developing the process to enable effective information exchange. Coordinating with various initiatives and clearing houses. Adding value to our trade official's work would be the ultimate outcome. It must be used for updating and adding value and finding the areas where SIDS cooperation would work and be most effective. SIDSNet had proposed to set up a closed AOSIS web site for internal discussion on trade issues. It would also have public information refined and disseminated. By being better informed SIDS could seek to overcome their limitations of size etc. SIDS must aim to have the best informed stakeholders.

The **chairperson** highlighted some of the main points made by the presenters. There was a national aspect, and a regional aspect. At the same time SIDS had an international dimension and a framework for support. At the regional level SIDS must have appropriate institutional arrangements. There was need for good and appropriate data collection. Initiating policies required keeping local level peculiarities. Convert market access into market penetration. Creation of awareness and policy dialogue. Strengthen national policy. Enhancing the ability to trade. Increasing difficulty of compliance with MEAs, and how to strengthen meaningful participation will continue to vex SIDS.

**Questions and comments** were raised by Samoa, Fiji, Mauritius, Jamaica, Bahamas, and Marshall Islands.

In the **discussions**, the participants welcomed the richness of experience which was being shared. The role of UNCTAD and SIDSNet were rooted in the BPOA. As a result of the third LDC conference there was a proposal to set up High Representative for LDCs which would include SIDS and land-locked states. There was concern that this would further marginalize SIDS. It was noted that at the moment the WTO did not formally recognize SIDS. SIDS should not hesitate to ask for technical assistance for their specific needs. SIDS should link capacity building needs to their negotiations with developed countries. But capacity building was cross-cutting, and SIDS should look at the capacity building submissions to the UN Framework Convention on Climate Change (UNFCCC) negotiations as an important starting point for an approach to needs assessment. Capacity building was an immediate as well as a long term issue. SIDS needed the assurance of a predictable and regular measure of support. While it was a national obligation, it required the support of regional and international bodies.

## Session 6

**Mr Jacob Werksman**, Foundation for International Environmental Law and Development (FIELD) presented on the **experiences of SIDS in MEAs** which had potential for interactions with WTO. SIDS had come together where there were common challenges, and where the focused solution had been identified. So there was a need to identify such common interests, as seen in climate change and biosafety. Challenge was met by response. What were the potential interactions? Needed to look for mutually supportive solutions, for example post-Doha and post-Marrakech. As policies became more specific the interaction with WTO would become more distinct. WTO aimed at anti-discriminatory rules. Under UNFCCC there was now the creation of a tradable regime in carbon emissions. Will there be any restrictions on the trade of these, are they fungible? If some countries did not participate in the Kyoto system, then its domestic system should not be viewed as the same by the international community. Some emission reductions would be created cheaply through sinks and through hot air, so that it was necessary to look at the quality of the emission permits. Are certain players trying to dominate the markets? The market set up by the UNFCCC had environmentally based rules, so the relationship created by the interaction was necessary to discuss with Parties and with the WTO. Certain carbon intensive products could get discriminatory benefits if produced in a non-Party to the Kyoto Protocol. Similar concerns had been raised in the biosafety negotiations. Early on there was a fight between blanket bans and the case by case consideration - sound science versus precaution. The scientific risk assessment was set against socio-economic considerations. MEA negotiations could be seen as dispute avoidance mechanism. For climate change it was the nature of permits, and for biosafety it was the preambular truce of not sending LMOs abroad without prior informed agreement. The issues may arise again. If a dispute arose between States, the question of who settled the issue remains difficult. The design of a formal dispute mechanism needed to look at the contrast in design. While WTO was compulsory and binding, even authoritative, MEAs were more often conciliatory. The post Doha landscape was able to offer some opportunities. The mandate was procedurally quite broad, but substantively it may be quite narrow. Negotiations were not going to change the WTO members rights and obligations. It had been limited to specific disputes on MEA obligations, and limited to MEA parties that were WTO

Parties. The WTO Appellate Body was quite liberal in its jurisprudence, but there was a risk that this would now be limiting and narrowing on the points of compromise. There was a need for AOSIS to raise awareness of MEAs in trade circles, and to take initiatives to complement the MEAs and WTO. Anticipation of conflicts and negotiated solutions could benefit SIDS, as could progressive precedents within the MEAs. Strengthening and broadening the dispute settlement mechanisms of MEAs would also benefit SIDS.

**Questions and comments** were raised by Cyprus, Jamaica, Antigua and Barbuda, Tuvalu and Cuba.

In the **discussions**, there was some unease about establishing the correct fora for discussing the problems. Both MEAs and WTO were inter-governmental bodies. The tensions were not really between organizations. It was really a tension between the priorities set by countries. The discussion of whether emission permits should be considered as a WTO good was an interim decision taken when the US was still on board. Individual member governments would need to maintain the separation. If a country decided to give certain industries alone their permits, it may be seen as a subsidy. Theoretically the idea of strong enforcement within the MEA was really needed. But what was the alternative to the last resort of trade sanctions. If countries had the political will to discriminate on the basis of the carbon content of production there were possibilities. The case had only received limited guidance from the shrimp-turtle case. Industry was looking for ways to make the distinction to favor their less intensive goods. The challenge was to integrate the rules, develop jointly rather than conflict. It was noted that many of the dispute settlement mechanisms of MEAs were seldom used. Sometimes the non-compliance procedures had been used. But solutions under, e.g., the Kyoto Protocol, had little or no similarity to appeals under WTO. It was not really a competitor to WTO like functions.

**Professor Lino Briguglio**, Islands and Small States Institute, Malta, addressing the issue of **vulnerability** said that it stemmed from a number of inherent problems for SIDS. There was the dependence on a narrow range of products. Small States have too many eggs in one basket, both in terms of services as well as in goods. Import dependence and a narrow resource base rendered SIDS vulnerable to outside forces. The limited scope of SIDS for import substitution and issues of insularity and remoteness caused high costs of transport and storage. There were also issues of environmental

vulnerability. There were reasons why islands were more vulnerable, such as carrying capacity, and a limited ability to withstand natural hazards. SIDS had a high proportion of land mass exposed to sea level rise and generally fragile ecosystems. In spite of vulnerability many SIDS had been successful in getting their economies growing. Relatively high GDP per capita gave a false sense of security. But some SIDS were still LDCs. Vulnerability profiles were very important. The origins of the vulnerability index (VI) was to delineate the vulnerability of SIDS, and it resulted in a high interest from SIDS and others. It was thus featured in the BPOA. Three main methods were in wide use. Normalization of variables. Mapping on a categorical scale. Regression method using predicted values of the dependent variables. All studies showed that as a group SIDS are vulnerable. Components of economic variables – economic openness, export concentration, dependence on imports of energy and peripherality. Transport expenses as a ratio of export value. The Committee for Development Policy (CDP) used other indicators – export concentration, instability of agricultural production, instability of exports, population size, share of manufacturing and modern services. Most small States got a high vulnerability rank. The Commonwealth had focused on income volatility assuming that this was a function of vulnerability variables. EVI has produced on basis of large number of ecological variables. Level of risks, intrinsic resilience, external or extrinsic vulnerability. Very complex determination. Availability of environmental statistics are low. Combining the economic with the environmental indexes was not being attempted. The CDP claimed that the agricultural variations mirrored the environmental vulnerability. These could be used as a measure in support of getting the appropriate assistance. Vulnerability does not measure poverty. The weakness of the VI was the subjectiveness of the decisions. A big problem was the absence of data from some countries and inconsistent methods of measurement. The weighting and averaging procedure could also create anomalies.

**Questions and comments** were raised by Trinidad and Tobago, Bahamas, Haiti, Solomon Islands, Jamaica and Papua New Guinea, and UNCTAD, the Commonwealth Secretariat, SPREP and the Regional Negotiating Machinery.

The **discussions**, focused on special recognition for the situation of SIDS and their vulnerability. This was a common issue for many SIDS. Many vulnerable States were excluded because of the GDP reading. In the run-up to Doha, ACP tried to discuss the vulnerability index as a vehicle for special



status under WTO. A lot of scientific knowledge had been developed. Some States did not like the idea of being pitted against another. Simpler was usually better. However, the issues were not, as ecological considerations, for instance, are complex. The special vulnerability of SIDS had been captured and should be seen in multiple sectors, including goods and services instability, agricultural instability and share of imports. Population came in as an indicator of smallness.

**H.E. Ambassador Ransford Smith**, Permanent Representative of Jamaica to the United Nations in Geneva, gave his impressions of the **post-Doha implications**. In terms of trade and environment SIDS had covered the issues well. The importance of the mandate set was perhaps not so much in the words used, but in the implications as a precursor to a new round of negotiations. SIDS needed to face the substantive issues, but also on the potential negotiating issues such as access. There were far reaching issues, such as the potential for benefits in eco-labeling. Fairly straightforward points like the reduction of tariffs would also need to be looked at in regard to the environmental goods and services. The Doha declaration offered scope and breadth in the negotiations, and opportunities for SIDS to defend their views and perspectives. The narrow three-year time frame was ambitious. Much had to be covered, relating to agriculture, industrial sectors and services, rules and the environment. Consensus was needed on the modalities. Many developing countries resisted negotiating on these issues. It was now recognized that the negotiations are required. But the threshold had been reduced. It is not whether to negotiate but how to negotiate. The next Ministerial session will entail full-fledged negotiations. All in all, an extremely heavy program of work. It was very ambitious. US had stated that since developing countries had accepted the agenda they deserved technical assistance for participation and for reform. The Doha declaration was distinguished by this emphasis. The core need for capacity building required SIDS monitoring and input. WTO technical assistance was very small. The technical assistance of other agencies may much greater. There was a caution, as this was not necessarily an end in itself, but a vehicle for achieving an end. Agree on the objective and then set capacity building functions accordingly. Special and differential treatment was forthcoming in Doha. Circumstances were different to the Uruguay rounds. This time we needed to verify and anticipate the outcome of the negotiations. In the agricultural negotiations we have SIDS concerns. Important breakthrough that the special needs of single commodity producers and the need for SIDS

issues to be covered was there. Small vulnerable economies were most often SIDS, but this was not accepted yet as a category. SIDS needed to decide on how to work out an approach to the work program. Will concessions be made for a settled group. It would be difficult. But instead we must work out the measures that will have impacts primarily for SIDS and put these forward in Geneva. The time factor should be recognized. The 5<sup>th</sup> Ministerial is only two years away. How can SIDS participate more effectively? First, they must be present in Geneva. There is need to be present in informal meetings and conclaves. Avoid thinking of this as a series of periodic sessions, for which there can be periodic preparations. Need capacity, knowledge and awareness in capitals to allow for immediate reaction. Special and differential treatment was to be considered very shortly. SIDS need to have their input ready. With such a schedule SIDS cannot meet only periodically. They must be there continuously. Funds were needed for participation, as were changes to procedures that allowed for equal treatment of sovereign States. Provision for voting was seldom used, and consensus prevailed. Countries were less likely to object to resulting legal obligations if there were consensus. The establishment of groups and committees required more open procedure. SIDS needed to increase their influence.

**Questions and comments** were raised by Mauritius, Antigua and Barbuda and Cyprus, and the Commonwealth Secretariat.

**Discussions** focused on the constant learning process. It was important that the work program was known. For the SIDS it was not just the issues of small and vulnerable economies but the whole gamut of issues. Prioritization was important. The effective participation by SIDS must be promoted and assured, perhaps through a fund for participation. Special treatment must be followed closely and every effort taken to overcome the resistance SIDS faced. There was real danger in letting these issues flow too far into the future.

The meeting then broke up into two working groups to consider the final conclusions and recommendations of the workshop.

### **Final session**

**The plenary** received comments from the working groups, and these were consolidated by the Secretariat. After discussion in the plenary, the recommendations and conclusions were adopted for the report.

**Dr Oscar Oramas-Olivia**, representative of the Convention to Combat Desertification expressed appreciation for the participation of the CCD. He fully supported the conclusions of the workshop. He stressed the importance of establishing the synergies of implementation for all stakeholders, and wished to have the cooperation of AOSIS in this regard. He pledged to disseminate the AOSIS conclusions within the CCD, and to study the report and the implications of Doha.

**Mr Amena Yauvoli**, Fiji, thanked the Government of Jamaica for the wonderful hospitality and facilities provided and expressed the sincere appreciation of all the participants.

**Mr Espen Ronneberg** thanked the participants for their hard work. He also expressed personal appreciation to the Samoa Mission and the chairmanship of AOSIS.

**Mr Franklin McDonald**, Chief Executive Officer, National Environment & Planning Agency, Jamaica, delivered the closing remarks on behalf of the Honourable Minister and Government of Jamaica. He congratulated AOSIS for taking the initiative of the workshop. The global issues faced by SIDS required support and cooperation. SIDS had many inherent problems, and the workshop provided the opportunity to focus on and to exchange views on trade and sustainable development. The work started between WTO and MEAs was welcomed. There was now an ongoing dialogue, as mutually supportive policies were clearly needed. Jamaica was grateful for the capacity building efforts of UN system. Policy makers needed to be kept informed of appropriate opportunities and developments. The WSSD will be an especially important occasion. We should not strive for disguised protectionist measures posing as environmental protection, and to engage the major actors in trade we needed to promote a balance. A high level of participation and cooperation was needed. As was clear from what was said at the workshop, SIDS must be present in the discussions on trade and environment. SIDS needed to engage their civil society and private sectors. Jamaica had to prepare for the challenges of globalization, to seek to integrate all the policies and relevant sectors so that sustainable development can become a reality. The responsibilities of different actors must be highlighted and appropriately allocated. On the regional level it was recognized that there were many factors that would impact on the environmental management and sustainable development integration. He

noted and commended fellow islanders for their high spirit of cooperation. Jamaica will continue to do its part in promoting cooperation among SIDS. He thanked all delegations and AOSIS and the experts who participated.

Ambassador Slade, Chairman of AOSIS, thanked Mr McDonald for his statement and kind words. He asked that the gratitude and appreciation of all delegations and participants be conveyed to the Honourable Minister and Government of Jamaica. The workshop had come about at the suggestion of the former Minister of Foreign Affairs and Foreign Trade of Jamaica. As clear from the workshop proceedings, it was a far-sighted initiative. The workshop was a response to the needs and concerns of the AOSIS countries, capacity building being an obvious priority. Targeted and joint action by SIDS, at the national and regional levels, was needed, with the engagement of all sectors and the support of development partners, organisations and friends, particularly those of the UN system. A large number of friends of AOSIS were participants, and he thanked them for their support of the workshop. In particular, he reiterated the gratitude of AOSIS for the very generous financial contributions from UNEP and from the Government of Norway that made the workshop possible. He expressed special thanks and appreciation to the SIDS Unit of UN DESA for their vital role and assistance to the AOSIS countries.

The Chairman then declared closed the AOSIS workshop on trade, sustainable development and small island developing States.

## Conclusions and Recommendations

The Participants,

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### **SIDS, sustainable development and the new round of trade negotiations**

1. highlighted the importance to SIDS of special and differential treatment in trade negotiations, and called for the active involvement of SIDS in negotiations on a new trade round. The Chairman/Vice-Chairman of AOSIS were requested to seek the necessary support to SIDS delegations to participate, to the maximum extent possible, in future sessions of the WTO and its various negotiating groups;
2. recognized that SIDS are small vulnerable economies and that their special needs and circumstances must be taken into account in the WTO's work programme on these issues, and urged AOSIS to work with SIDS delegations attending WTO meetings to achieve this objective and to enhance consensus building for this purpose;
3. emphasized the need to strengthen and facilitate the participation of SIDS experts and representatives in the various multilateral fora dealing with trade and sustainable development. Such participation will effectively enhance cooperation and collaboration of SIDS at all levels. To ensure such cooperation the Chairman/Vice Chairman of AOSIS were requested to seek modalities for enhancing information sharing at the national, regional and inter-regional levels, including through SIDSNet, and with relevant regional organizations in SIDS;
4. commended the Commonwealth Secretariat's initiative to support the work of the Trade Experts Group of the small island developing states in the WTO negotiations. The Chairman/Vice Chairman of AOSIS were requested to seek the necessary cooperation with the Commonwealth Secretariat for the meetings of the Experts Group;

5. requested the Chairman/Vice Chairman to develop modalities to be coordinated through the SIDS Unit of UNDESA and in collaboration with relevant international and regional organizations, including UNEP (including its Economics and Trade Unit and Mediterranean Action Plan), UNCTAD, FAO, the Commonwealth Secretariat, RNM (Caribbean Regional Negotiating Machinery), CARICOM Secretariat, and Pacific Islands Forum Secretariat and South Pacific Regional Environment Programme (with CROP agencies of the Pacific), aimed at, among other things, identifying in their work programmes specific opportunities and challenges for SIDS emanating from the Doha Declaration;

#### **Needs assessment and capacity building on environment and trade**

6. recommended that national needs assessments be initiated for capacity building in trade and environment, and called on AOSIS member States to establish, as appropriate, coordinating mechanisms for policy planning and implementation. They underscored the need for access to ongoing training programs for further capacity development;
7. underscored the need for AOSIS member States to accelerate their national needs assessments for capacity-building in the context of MEAs, and urged them to utilize the funding made available by the Global Environment Facility for this purpose, taking into account that technical assistance to carry out such tasks is required;
8. emphasized the following cross-cutting issues for inclusion in national needs assessments and data management in capacity building initiatives for trade and environment:
  - negotiation management and training in negotiations skills;
  - strengthening national policy, planning, legislative drafting, and enforcement;
  - research and systematic observations and monitoring and evaluation;
  - national and regional approaches;
  - cooperation at national, sub-regional and regional levels, and between regional institutions;

- development and training of country teams;
- training and skill development in relevant areas;
- cultural needs, as appropriate, in country specific assessment; and
- identification and listing of all the available international and regional sources of technical assistance and capacity building accessible to SIDS.

They also emphasized the need to strengthen SIDSNet as a clearing house mechanism for the exchange of information related to the above;

### **Finance for capacity building and effective participation of SIDS**

9. called for the establishment of a fund for SIDS and other small vulnerable economies within the scope of the technical assistance and capacity building facility of the WTO with the support of other relevant organizations. Such a fund could be enhanced by contributions from other donors and organizations to provide, inter alia:

- specialized negotiating techniques through workshops, seminars and on-the-job training;
- expert advice and analysis for impact assessments of the implementation to meet the exigencies of the development agenda;
- technical analysis and studies, as well as training programmes for personnel on WTO-related matters;
- travel and subsistence for experts and representatives to WTO-related meetings;
- internship programmes at the WTO Secretariat;
- permanent support facilities in Geneva to provide technical and logistic assistance to experts and representatives attending WTO-related meetings; and
- prioritization of actions specific to SIDS/small vulnerable economies in the context of the Doha Ministerial Declaration.

10. welcomed the creation of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development, which can provide financial and technical support to capacity building activities for this policy interface in SIDS;

## **National planning and implementation in SIDS**

11. highlighted the need for institutional strengthening and coordination at the national and regional level to implement MEAs within the broader context of sustainable development;
12. called for increasing support at all levels for the strengthening of potential sectors in SIDS economies which promote the sustainable use of natural resources, within the broad framework of environmentally friendly economic growth for sustainable development;
13. highlighted the need for the integration of environmental considerations into trade and other economic policies so as to secure sustainable development objectives;
14. took note of the Draft International Guidelines for Activities Related to Sustainable Tourism Development developed by the Convention on Biological Diversity;
15. called for assistance from the international community to be provided for training and capacity building to facilitate the ratification and implementation of relevant international instruments, to facilitate understanding of the obligations, and to develop appropriate enabling legislation;
16. took note of regional initiatives for examining obligations under MEAs (e.g. on common reporting formats), and for their implementation at the national and regional levels;
17. underscored the importance of wider and enhanced participation by civil society in the quest for sustainable development in general and in strengthening the links between trade and environment in particular. They called on all AOSIS member States to deepen the involvement of all sectors of society in the elaboration of national action plans and strategies for trade and environment and sustainable development in the post Doha period and for the preparation for WSSD. The Chairman/Vice Chairman of AOSIS were requested to



seek the necessary support from donors, relevant organizations and institutions to enhance the participation of all these stakeholders;

### **Cooperative research**

18. highlighted the need for better coordination and research in relevant economic and environment fields, and recommended that the main educational and training institutions in all AOSIS regions identify ways and means of providing better, more relevant and accessible trade and environment-related training and research in AOSIS member States. They noted with appreciation the offer by the University of Malta to host a Roundtable in 2002 to consider these issues;
19. acknowledged the importance of the Environmental Vulnerability Index as a criteria in the Triennial Review of the LDCs in 2003, and urged the UN system, and in particular the Committee for Development Policy, to increase their efforts to finalise the ongoing work on the Index;
20. further noted the need for the development of cooperative arrangements among institutions within AOSIS member States, and regional organizations in order to help AOSIS members States fully realize opportunities for sustainable development through the use of information technology;

### **Ongoing efforts**

21. supported the establishment within the SIDS Unit of UNDESA of a database of SIDS experts with particular skills in trade and sustainable development, utilizing various national and inter/intra regional sources, as a resource from which AOSIS member States could call upon for various expertise;
22. expressed strong support for AOSIS and its continuing efforts in promoting the interests and concerns of SIDS, which should be enhanced and strengthened; and
23. called on the Chairman/Vice-Chairman of AOSIS to widely disseminate the report of the meeting through the UN system, to the

WTO, international organizations and institutions, and SIDS regional organizations.

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