The relationship between trade and environment regimes: What needs to change?

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Over the past 50 years, the volume of world trade has grown an average of 6 per cent every year. At present, it is 14 times the level it was in 1950, owing in large part to the elimination of trade barriers, such as import tariffs, quotas, and other trade restrictions. Although this trade expansion has helped bring about global economic prosperity, the benefits have not been evenly shared. Income disparities between the rich and the poor continue to widen, biodiversity has declined, pollution has increased, and the world’s natural resources have been seriously depleted. It has been estimated that, since 1970, 30 per cent of the earth’s natural wealth has been destroyed as the result of alarming trends such as increasing greenhouse gas emissions, deforestation, soil erosion, and overfishing.

In short, governments have done a good job in creating a global marketplace, but not one that is yet producing sustainable outcomes for the world’s environment or for many of its poorest communities. As international trade and investment become increasingly important factors shaping our lives, the way in which we trade and invest across borders has profound implications for the health of our planet.

The World Wide Fund for Nature (WWF) and other environmental campaigners cannot but be concerned about the impacts of trade
on environment and sustainable development; hence their involvement in the World Trade Organization (WTO) process. Trade liberalization is not limited to paring tariffs and tearing down trade barriers. It also involves negotiations about regulations, some of which directly relate to social and environmental rules and principles. The environmental impacts of free trade—in the widest sense of including social and development effects—must be considered alongside economic issues. The challenge is to ensure that trade and trade liberalization not only broadly benefit people and the planet, but also support sustainable development.

More importantly, trade and trade liberalization processes must take into account the real interests and concerns of developing countries. WWF’s long-standing commitment to make conservation work for local communities reflects an understanding that paying close attention to developmental imperatives is an absolute prerequisite to durable conservation. The majority of the world’s poor depend directly on the environment (water, soil, and forests). Environmental and sustainable resource use is an important dimension in any development strategy of a country that aims to attain economic growth in order to provide for the needs of its citizens. Sustainable indigenous resource use and management must be encouraged. Appropriate technology and financial resources must be transferred and industrial countries must make a commitment to greater support for regulatory capacity.

Proposed environmental reforms in support of sustainable trade

The world’s resources are limited and their gradual attrition through unsustainable policies and practices will have massive repercussions on a country’s prospects for long-term economic growth. A trade policy that puts profit before resource management and the provision of sustainable economic activity for poorer countries can benefit only those already rich—and then merely in the short term. There are six key elements of reform that will help to reassure people that WTO will not liberalize trade at the expense of other vital concerns. These key reforms call for ensuring that:
1. the environmental and social impacts of trade practices are assessed;
2. the trade liberalization of environmentally friendly products is prioritized;
3. trade measures are accompanied by appropriate and necessary environmental and sustainable development policies;
4. the interests of developing countries are taken into account;
5. the WTO cooperates effectively with other multilateral agencies;
6. the WTO does not extend its remit to investment and other areas of commerce.

These WTO-directed reforms involve processes that are not necessarily confined to the WTO itself. Most of them call for reform activities at the national level, the involvement and participation of a broad range of stakeholders, and more policy coordination between ministries at the national level and intergovernmental organizations at the international level. Only by making better use of these parallel avenues will reform in the WTO be feasible in the long run.

Reform 1: Carefully assessing the environmental and social impacts of trade practices before proposals for liberalization are pursued

In negotiating trade agreements, implementing trade rules, and settling disputes, the WTO must adopt a broad approach that considers economic, social, and environmental concerns. There are at least three ways by which the WTO can fully incorporate environmental and social considerations potentially affected by trade: (a) by supporting the process of sustainability assessments of trade agreements; (b) by adopting, where relevant and necessary, a precautionary approach; and (c) by broadening the framework of its dispute settlement procedures.
Sustainability assessments

The idea of assessing the effects of trade policies on the environment and development is not new. Calls for the assessment of trade-related measures were made in early 1994 at the Third Session of the UN Commission on Sustainable Development (CSD III). Recently, the term “sustainability assessment” (SA) was coined to reflect the objective of measuring and evaluating the economic, social, and environmental effects of trade agreements in an integrated manner. This assessment process has emerged as a useful tool to address the linkages between trade liberalization and environmental and social change.

At an international experts meeting held in March 2000 in Quito, Ecuador, participants recognized that sustainability assessment could help improve the quality of political decision-making by enhancing understanding of the links between trade and sustainable development. By informing policy makers about the potential economic, social, and environmental effects of the trade agreement they are to become a party to, the objective is to help these negotiators identify where their country’s interests lie and how different negotiating outcomes will affect their domestic economies. As a result, assessment processes will contribute to more coherent policy responses that integrate these different sets of objectives. It is clear that sustainability assessment should also be applied retroactively to both trade-liberalizing and trade-restricting policies currently in place, so as to determine whether existing trade flows are sustainable or not.

Individual countries are responsible for defining and interpreting SA based on their own circumstances. The priorities and specific aspects to be included depend on the circumstances of each country, their differing degrees of development, and the issues under assessment. Although SA is essentially a national process, the WTO as a body should encourage member countries to carry it out and should provide technical and financial assistance for less-resourced countries, in cooperation with other relevant intergovernmental bodies such as the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Environment Programme.
(UNEP). In including SA in its modus operandi, the WTO needs to ensure that it does not become another conditionality for trade or a disguised trade-restrictive measure. The purpose is not to raise new barriers to trade and market access but to make trade more sustainable and increase its benefits to exporting countries.

In this respect, it is important to involve a broad range of stakeholders in the design and application of SAs. Much of the relevant information, as well as skills to undertake SAs, is in the hands of private actors, civil society, and academia. Early involvement will contribute to their ownership of the process and ensure that conclusions are as well informed as possible. It will also enhance the applicability and effectiveness of policy measures and help build capacity.

The WTO and the precautionary principle:
A way forward

Recent disputes in the WTO, such as the Beef Growth Hormone case, have concentrated attention on how a rules-based trading system should deal with goods where their safety or environmental impact are “scientifically uncertain.” The Technical Barriers to Trade and Sanitary and Phytosanitary agreements in the WTO require that technical regulations and health and safety laws are not more trade restrictive than necessary to achieve their legitimate objectives, and do not create unnecessary barriers to trade. In assessing whether trade restrictions meet these criteria, due consideration ought to be given to available scientific and technical information. These rules characterize precaution as a temporary response to a lack of scientific knowledge, and assume ignorance can be remedied by further research in the short term. The problem arises when there is conflicting evidence: does the environment get the benefit of the doubt, or does trade; how is this decided and who decides?

The widely accepted precautionary principle counsels that environmental measures must sometimes be adopted when scientific information is incomplete. It offers a sound framework for accommodating both the inputs of scientific, economic, regulatory, and ecological data and the more subjective values surrounding risk and uncertainty.
The multifaceted nature of risk means that differences between countries’ cultural norms and ideological beliefs will affect any decision involving uncertain impacts. Rational parties with honourable intentions can indeed have opposing views about the acceptability of technology. In fact, research in Europe suggests that countries with high levels of scientific literacy tend to take a more precautionary approach to new technologies. Basic scientific information and risk assessment methods do not encapsulate these subjective cultural elements and so ignore critical differences.

Differences also exist in countries’ regulatory culture and capacity to regulate. Objections by the United States to a proposed European Union ban on cadmium batteries suggested the alternative of improved recycling. However, EU regulators see a ban as a more efficient and reliable response and one acceptable to their citizens.

The use of the precautionary principle and other risk-based approaches must be clarified in a transparent, democratic, and inclusive manner. The WTO, as it currently operates, does not provide such a context. In addition, unlike national regulators, the WTO cannot appeal to—or be reformed by—direct democratic oversight, and consensus decision-making means reforms tend to be blocked by parties that currently benefit from the flawed system.

The conclusion of the Cartagena Protocol on Biosafety in Montreal in January 2000 was a welcome step in addressing the issue of how to operationalize the precautionary principle. The text strikes a reasonable balance between ensuring that national governments can take precautionary decisions that are consistent with the risks acceptable to their citizens while also making sure that the precautionary principle is used in a transparent manner and includes an evaluation of available scientific evidence. However, further debate on the precautionary principle is both necessary and inevitable, especially in terms of defining how it is applied in a trade context and more specifically in relevant WTO agreements.

Nonetheless, the progressive interpretation of the precautionary principle in the Protocol makes it the first international treaty explicitly to address both environment and trade since the creation of the WTO. It is an important signpost on the road to more enlightened trade policy-making in terms of striking a better bal-
ance between trade interests, the environment, and other public policy objectives outside the WTO context.\textsuperscript{5}

**Broadening the framework of WTO dispute settlement**

The WTO dispute settlement mechanism has the binding character of WTO obligations supported by a compliance mechanism that provides for the payment of compensation and the application of sanctions in the event of non-compliance. WTO panel decisions are automatically adopted by the WTO member countries unless there is consensus against doing so. The speed, power, and efficiency of the system are both frightening and fascinating to environmental groups. It is the very power and authority of the system that has led to calls for reforms.

Given the growing economic and environmental interdependencies, more trade and environment issues are expected to be negotiated at the WTO. However, the handling of dispute cases so far has shown that the dispute settlement procedures are not broad enough to take into account the complexities brought about by environmental and social factors.

The Shrimp–Turtle case is a good example of this. The case raised questions about the extent to which countries can restrict the importation of products that are produced by processes that have negative environmental consequences. It also illustrates that, because of its adversarial nature, formal WTO dispute settlement may not be the best means to resolve disputes of this kind. The trade ban and its ensuing dispute damaged the parties’ relationships, undermined cooperation in multilateral trade and environmental forums, and failed to address adequately the underlying environmental problem (the protection of endangered sea turtles). The dispute suggests the need for an alternative method of solving trade–environment–development conflicts. Dispute prevention is one such approach.

Preventing these conflicts from occurring or from escalating into full-blown trade disputes at the multilateral level requires the creation of a more integrated approach to dispute settlement. This would involve utilizing policy mechanisms beyond those available in the trade arena and promoting dialogue whereby different stake-
holders can constructively explore their various viewpoints of the conflict and collectively search for creative and integrated solutions. 

WTO members should explore the establishment of multi-stakeholder consultative processes in which relevant facts could be put on the table by all interested parties from governments, non-governmental organizations (NGOs), industry, academia, local communities, etc. Should the WTO refuse to conduct such consultations, there is no reason why such multi-stakeholder consultation processes could not be established outside of the WTO.

The lack of transparency and openness in the current "closed door" dispute settlement processes makes environmentalists doubtful whether environmental concerns are given proper consideration. Many consider and request that the hearings be open to public scrutiny and observation. This could very well be taken into account in multi-stakeholder consultation processes.

The time has come for the WTO to adopt a broader vision of a sustainable trading system. This broader vision would lead the WTO to adopt trade measures that discriminate between different production processes and trade rules that encourage the use of environmentally friendly technologies. WTO dispute settlement procedures need to be reformed so that trade disputes with social and environmental components can be resolved in a more multidisciplinary, more open, and less partisan forum.

Reform 2. Prioritizing liberalization measures that offer direct and immediate environmental benefits

A concrete step that the WTO can take in the context of trade and environment issues is to encourage and work with countries to eliminate environmentally harmful subsidies. The WTO can and should engage in negotiations about the elimination of subsidies in energy, agriculture, forestry, fisheries, and other areas that constitute trade barriers and are destructive to the environment.

For example, many of the world’s fishing fleets are simply too big. Estimates suggest that fishing power worldwide is two and a half
times greater than is considered “sustainable.” This is bad news not only for ocean wildlife, but also for fishing communities. As more and more boats chase fewer fish, fishers are finding it harder and harder to make a living. Nations with fleets fishing in distant waters have created a whole range of subsidies for their fishing industries. These include direct and indirect fishing subsidies that maintain many fleets at levels that result in overfishing and make little economic sense. Tens of billions of dollars are spent each year on subsidies to the fishing industry. Elimination of such subsidies would increase developing countries’ market access and at the same time reduce pressure on the environment.

More proactively, the WTO should focus its efforts on liberalizing trade in products that are produced by environmentally friendly methods. Case studies indicate that exports that serve sustainable production and consumption are moving out of small niche markets into the mainstream in terms of volume and consumer acceptance. The WTO should encourage this type of sustainable trade.6

The case studies demonstrate how developing country enterprises and sectors covering manufacturing (environmentally preferred dye in textiles in India, CFC-free refrigerators in South Africa and Egypt), tourism (greening mass tourism in Senegal and Jamaica), forestry (sustainable timber harvesting in the Solomon Islands; sustainable non-timber forest products in Ecuador), and agriculture (organic fruit production in Chile, organic coffee production in Costa Rica, organic cotton production in Uganda) have turned tighter environmental regulations, new corporate practices, and changes in consumer values into economic and environmental advantages. Pioneering companies, non-governmental organizations, communities, and cooperatives can make a difference, often ahead of regulation or customer demand. Partnerships along the product chain are central to success for all producers, whether big or small, and new commercial relationships can emerge as a result. The case studies also show that the benefits of higher social and environmental performance of exports are many and diverse, including economic gains such as premium prices and increased sales, social benefits such as job creation and environmental improvements, as well as enhanced security through longer-term trade relations.
Admittedly, these cases of sustainable trade constitute only a small proportion of total trade flows and are exceptions, rather than the norm. But they offer a sense of what is possible. They illustrate that environmental policies can create export opportunities for developing countries. In this context, the WTO should encourage the development and application of rules to reduce the barriers faced by exporters of environmentally friendly products, such as tariffs and non-tariff barriers that provide unfair advantages to polluting industries. Clearly, liberalizing trade in commodities that are produced sustainably should be a priority of any upcoming negotiations.

Reform 3. Accompanying liberalization by improved environmental and sustainable development policies

It is generally accepted that trade liberalization contributes to increased economic activity and that countries that open up their markets and adopt trade and investment liberalization policies experience higher rates of economic growth. At the same time, there is growing recognition that trade liberalization and trade policy cannot be viewed in isolation from other areas of economic, environmental, and developmental policies. Though the objectives of these three policy spheres are not identical, they often overlap. Trade liberalization policies may have important repercussions on environmental and developmental imperatives. A sound analysis of the interface between the different spheres will help determine where synergies, trade-offs, and conflicts lie. For example, a particular production process may be beneficial for development but harmful for the environment, or a specific trade pattern may be environmentally friendly but inadequate for development. A set of policy instruments will then be designed to deal with a particular sectoral problem or to form an integrated package to tackle a more general set of trade–environment–development concerns.

At the very least, environmental and developmental impacts should be considered when formulating and negotiating trade poli-
cies, and flanking policies should be developed to minimize or to avoid the negative effects of trade. Ecolabelling is an example of a win–win parallel policy, being good for both trade and environment. It deals with legitimate health, safety, and environmental concerns, and harnesses market power to generate environmental benefits. Labels alert consumers to the conditions under which products are produced (e.g. tuna cans saying they are dolphin safe, timber certified as harvested from “sustainable forests,” refrigerators labelled as CFC free), and allow them to vote with their pocketbooks in deciding which environmental conditions they want to see continued and which ones they do not want to see continued. Moreover, ecolabelling is a relatively inexpensive and straightforward strategy to implement.

At best, an integrated policy package should be designed to satisfy the objectives of all three policy spheres and minimize conflicts among them. (See the box for an example of an integrated policy package for sustainable forest management).

Integrated policies are especially important in enabling developing countries to adopt minimum environmental standards. Developing countries are justifiably concerned about any discussion on minimum environmental standards because these standards are usually what are right for people in relatively wealthy countries. The disparities in income and quality of life must always be kept in mind. In the United States, per capita income is about US$31,000. In Niger, Sierra Leone, Burkina Faso, and Ethiopia, per capita living standards are in the order of US$400–600. Life expectancy in industrialized countries is about 77 years, in Rwanda, 28 years, in Sierra Leone, 35 years. Differing levels of development must be taken into account when setting environmental standards. Technical and financial assistance must also be provided to help poorer countries meet these environmental standards and adopt environmentally friendly methods of production. Direct assistance to enable developing countries to “leapfrog” the dirty technologies that the industrialized countries used to enrich themselves should not hinder the development of environmentally friendly indigenous processes and production methods. These methods must be encouraged and supported as well.
Integrated policies: Sustainable forest management and forest certification

Certification aims to promote the sustainable management of forests and improved access for sustainably produced forest products to consumer markets. As a policy tool, certification belongs to the group of market-based instruments. It has impacts on a broad range of issues in the trade–environment–development interface. Among these issues are: market access and trade barriers, full-cost internalization and market transparency, ecological stability, the security of tenure of resources, the well-being of forest-dependent communities, and the care and safety of workers. In order for certification to maximize its potential net benefits and avoid unnecessary adverse impacts, this policy tool needs to be supported by a set of interrelated policies.

Land-use policies

A comprehensive land-use policy for forests and nearby areas is necessary clearly to demarcate forest lands that can be used for production forests, for protection, for conversion to plantation forests or other agricultural uses, and for industrial and other uses. Programmes will have to be designed to manage these conversions over time, including the design of infrastructure plans to support designated land use, roads, parks, irrigation, etc. This should be a dynamic process, revised and reviewed regularly and based on scientific studies and environmental audits as appropriate.

Forest sector policies

Concession agreements that provide for sustainable management opportunities and responsibilities should include the following:

- a clear commitment to sustainable forest management by owners and shareholders;
- local partnerships;
- monitoring systems;
- levels of fees;
- permissible technologies.
Cross-sectoral policies
These are intended to:
• create and/or strengthen regulatory policies that stimulate and support off-farm jobs;
• provide incentives for businesses to develop economically viable off-farm employment;
• ensure that infrastructure development is subject to stringent environmental safeguards;
• establish mechanisms for inter-agency coordination.

International cooperation
International support and development assistance need to be secured for:
• local capacity-building in developing forest management programmes, designing forest policy, and implementing that policy;
• facilitating appropriate technology transfer and change;
• supporting pilot initiatives on certification to show its viability;
• establishing a forum for continuous information exchange;
• developing suitable financing schemes and other incentives to promote sustainable forest management, which include certification as a complementary instrument.

Reform 4. Taking into account the concerns of developing countries
The débâcle at the third Ministerial Meeting of the WTO in Seattle exposed what is perhaps the most serious problem concerning the legitimacy of the WTO. It is dominated by a few powerful countries fighting for their own interests, so that African, Latin American, and Caribbean countries feel they have no chance of being heard.
Negotiations took place in closed sessions involving 20–30 countries (depending on the issue), with the rest of the 135 member countries sidelined. It is not surprising, therefore, that excluded countries complained so vehemently in Seattle, the Organization of African Unity leading the way with an unprecedented attack on the WTO’s lack of transparency and a threat to reject any statement that might come out of the talks.

In order to restore its legitimacy, the WTO will need to give priority to the needs and concerns of developing countries. In the area of trade and environment, the WTO can achieve this prioritization by reforming the WTO’s Trade-Related Intellectual Property Rights (TRIPs), providing special and differential (S&D) treatment to developing countries, and giving technical and financial assistance to increase developing countries’ presence and representation in negotiations and their ability to negotiate effectively.

The TRIPs reform is an important concern to developing countries. It is necessary to extend its transition periods and identify actions or specific reforms to make the agreement support rather than undermine the Convention on Biological Diversity (for example on technology transfer, access and benefit-sharing from trade in genetic resources, and protection of traditional knowledge).

Enhancing and operationalizing the S&D provisions of the WTO would play an important role in reshaping trade flows and capturing the benefits from trade for developing countries. These include strengthening the food security exemptions from WTO rules; enabling developing countries to participate in international standard-setting bodies to help improve domestic environmental regulations as well as facilitate trade; and providing incentives to promote the dissemination and transfer of environmentally sustainable technologies.

A substantial amount of capacity-building is required to enable developing countries to participate effectively in the WTO. Delegations from developing countries often lack the technical and financial resources to undertake thorough analysis of their own trade and environment issues, and the expertise to formulate, articulate, and defend their own interests and needs in highly complex trade talks. Efforts at capacity-building will go a long way to increasing the quality and fairness of WTO negotiations.
Reform 5. Cooperation with other multilateral institutions

Since international trade has significant environmental and social implications, trade policy cannot be made in isolation from other areas of public policy. The WTO has a responsibility and an obligation to cooperate with relevant international organizations working on trade and sustainable development such as UNCTAD, UNEP, and the United Nations Development Programme. Thus far, a mandate has been established for the WTO to work jointly with the International Monetary Fund and World Bank in order to achieve greater coherence in economic and development policies. Although some collaboration is taking place with other UN agencies, there is a clear need to formalize such partnerships. This would entail, for example, that the WTO fully respect the authority of multilateral environmental agreements.

It has often been pointed out that the trade and environment regimes are of a very different nature. On the one hand, the trade regime is “centralized” in one institution—the WTO—which is equipped with a dispute settlement system that is largely regarded by governments as functioning well. In short, the threat of trade sanctions, whether justified or not, makes it a powerful compliance mechanism. On the other hand, the environment regime is spread among more than 200 multilateral environmental agreements, ranging from toxic substances to the protection of elephants and the prevention of biodiversity loss. In contrast to the trade system, coercion is not a sound basis for the development of environmental policy and MEAs are usually based on consent. In effect, this has resulted in serious imbalances between the trade and environment regimes and in sweeping generalizations that the trade system works whereas environmental regimes are either weak or do not work.

Although there may be some truth to such allegations, it should be emphasized that the “supremacy” of the trade regime has often resulted in a “chilling” effect on other intergovernmental processes dealing with trade and environment. This suggests that effective measures need to be taken to define where the WTO’s mandate starts and stops on non-trade related matters, and when cooperation
with other international organizations in their areas of competence is required and necessary. The WTO cannot continue to work in isolation and in ignorance of the constraints it is imposing on important intergovernmental bodies that have a crucial role to play in the building and achievement of a sustainable global economy. Clarification of competencies and effective cooperation are urgently needed.

Reform 6. Keeping within the limits of the WHO’s competence

Research by WWF shows that the interactions between foreign direct investment (FDI) and the environment are complex: they can be both positive and negative. FDI can bring cleaner, more efficient technologies and working practices to foreign countries, or it can create irreversible environmental damage if the investment takes place at such a scale and pace it overwhelms host country regulatory capacity. The negative impacts are most prevalent in the natural resource sectors, which form the largest proportion of investment flows to the least developed countries. Any agreement on investment must recognize the necessary limits to liberalization in a systematic and coherent manner that subordinates investor rights to legitimate national sovereignty and the achievement of sustainable development.

Actual FDI flows are highly liberalized in most countries. Problems arise because FDI is under-regulated and countries are damaging themselves to attract new investment. The most urgent areas for international negotiation are: binding standards for the behaviour of multinational corporations; the prevention of harmful competition for FDI—including lowering environmental and core labour standards; cooperation on market governance of FDI; and active promotion of appropriate FDI to less developed countries.

The strategic task of agreeing on a broad framework for regulating FDI and deciding on priorities for negotiations is not within the competence of the WTO. The investment regime is a dynamic process that goes beyond the trade regime’s system of rules applied
by governments and supported by a compliance mechanism. The investment time-frame and the nature of the relationship between an investor and a host country are very different from those between exporters of goods and services and importing countries. The FDI framework should be negotiated in a transparent UN-sponsored forum that supports the active participation of the widest number of countries possible. The High Level Intergovernmental Event on Financing for Development offers an appropriate forum for such an approach and process to be discussed.

This approach will need to be complemented by other initiatives and regulations, negotiated at the national and international levels, if the goal of fair and sustainable investment is to be achieved. National export credit agencies, business and industry, investment agents, and fund managers must all be encouraged to promote environmentally and socially responsible investments.

Conclusion

The main lesson to be learned from the failure of the WTO meeting in Seattle is that the diverse needs and interests of developing countries should be better taken into account in international negotiations. Otherwise, the global trading system is likely to experience enormous pressures in the next few years. Some of the trickiest and most emotive of these needs and interests concern the environment. The relationship between trade and environment is quite thorny. Developing workable international rules that protect the environment but do not restrict trade and development is a difficult challenge.

The search for solutions to these challenges does not lie within the WTO alone. Other avenues for making trade more sustainable include domestic trade policy-making, regional and bilateral forums, and other intergovernmental institutions that deal with the broader concerns of sustainable development. Other avenues for reform include the growing body of experience in trade and environment reforms outside of the WTO, such as those that promote sustainable consumption and production patterns and those that
prioritize win–win solutions that both generate environmental benefits and secure market access.

The WWF has no illusions that its proposed six key reforms would be easy to implement. But the Seattle fiasco gave the clear message that the WTO must not shy away from this challenge. It must face it in by considering and coordinating with parallel approaches. This challenge is here to stay and we can expect that trade and environment issues will be at the top of the agenda in future world trade negotiations.

Notes

1. Over 100 individuals from 30 countries attended the meeting, equally balanced between industrial and developing countries and coming from a cross-section of stakeholders. It was a unique opportunity to exchange views and experiences about the role and utility of SAs and to identify concerns about and potential obstacles to the further development of this tool (notably, the need for trust among countries as well as practical steps that would facilitate the application of SAs).


5. Ibid.

