

**Economic and Social Commission for Western Asia (ESCWA)****REPORT****ROUND TABLE ON ISSUES RELATED TO THE ESTABLISHMENT AND ACTIVATION
OF NATIONAL COMMITTEES ON TRADE AND ENVIRONMENT
BEIRUT, 12-14 JANUARY 2010****Summary**

The Round Table on Issues Related to the Establishment and Activation of National Committees on Trade and Environment (Beirut, 12-14 January 2010) assembled official representatives of Iraq and Palestine to discuss trade and environment principles and linkage, identify priorities and formulate a framework for the establishment of national trade and environment committees in both countries.

The Round Table provided a forum for reviewing relationships between international trade and environment principles, environmental requirements and their impact on market access. The environmental aspects of increasing international trade and other issues under negotiation before the World Trade Organization (WTO) were also discussed.

The participants from both member countries confirmed their support for establishing national committees on trade and environment. Through separate country discussion sessions, they contributed to the preparation of a draft document describing the mandate, purpose, membership and by-laws of the proposed committee, as well as the priorities to be tackled by the committee upon its establishment. Next steps were also identified and agreed upon to guide the participants as to the follow-up actions they need to take in order to ensure the establishment of the Committee.

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Introduction

1. The Economic and Social Commission for Western Asia (ESCWA) organized the Round Table on Issues Related to the Establishment and Activation of National Committees on Trade and Environment in Beirut from 12-14 January 2010. The round table was held in response to formal requests for technical assistance from the Ministry of Environment in Iraq and the Environment Quality Authority in Palestine to assist them to establish national trade and environment committees.
2. The main objectives of the round table were to:
 - (a) Provide an overview of global and regional trade and environment issues;
 - (b) Identify trade and environment priorities for Iraq and Palestine;
 - (c) Develop action plans in support of the establishment of national trade and environment committees in Iraq and Palestine.
3. The round table was held in six sessions, each devoted to a specific topic for discussion, in addition to two country-level sessions to discuss the details of establishing national trade and environment committees in Iraq and Palestine. Chapter I highlights the main conclusions and recommendations of the two country-level discussion sessions, while chapter II provides a summary of the issues presented in each session.

I. CONCLUSIONS AND RECOMMENDATIONS

4. Participants from both Iraq and Palestine agreed that a national committee on trade and environment was necessary to raise awareness, enhance coordination at the national level and provide advice on trade and environment linkage at the technical level. No existing institutional setup was identified in either country with such a mandate.
5. The following subsections summarize the outcome of the two national discussion sessions, which revolved around the development of a framework for the establishment of a national trade and environment committee for each country, including purpose and mandate, membership, scope of work and by-laws. Other outcomes sought included the identification of national trade and environment priorities and a list of follow-up steps required to ensure the establishment of the committee.

A. IRAQ

6. A number of standing bodies in Iraq were identified that could complement the role of the National Trade and Environment Committee. These are as follows:
 - (a) Council of Environmental Coordination and Cooperation, an inter-ministerial council convened by the Minister of Environment that addresses new and emerging issues related to the environment;
 - (b) High-level National Committee for Accession to the World Trade Organization (WTO), established in 2004, which is headed by the Ministry of Trade, but represents all ministries at the Director-General level. It has a number of subcommittees, including services (covering a number of subsectors including health, tourism, water resources, computer services, construction and environmental services), goods, sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT);
 - (c) Iraqi Central Organization for Standardization and Quality Control, which is responsible for quality control and the preparation of standards, including technical regulations issued by the Ministry;

(d) Governorate Councils in each governorate, which oversee local government councils and committees that address issues related to environmental protection. The mandates and roles of these local bodies are still being formalized. The Ministry of Environment also has an Environmental Directorate in each governorate.

7. Following the discussions, it was recommended that the mandate of the Iraqi Committee on Trade and the Environment would be:

- (a) To strengthen inter-ministerial coordination;
- (b) To enhance coordination and consultation between public and private sector stakeholders on trade and environment issues;
- (c) To advise on trade and environment linkage;
- (d) To raise awareness and enhance understanding of trade and environment linkage.

8. The purpose of the committee would be:

(a) To advise on the development of plans, policy and legislative frameworks to encourage a mutually-supportive approach to trade and environment policies and measures;

(b) To support negotiations for accession to the WTO by:

- (i) Reviewing and advising on the trade and environment issues that need to be addressed within the context of the WTO accession and work programme;
- (ii) Following up and reviewing the progress in, and outcome of, negotiations on environmental goods and services;
- (iii) Raising awareness of WTO trade, environment and sustainable development linkage, initially for committee members, decision makers and elected officials, and subsequently for the general public;

(c) To examine and review non-tariff barriers to trade and SPS measures related to environment, health and safety;

(d) To raise awareness and exchange information on trade-related multilateral environmental agreements (MEAs);

(e) To enhance coordination between trade-related MEAs and WTO focal points prior to negotiation sessions;

(f) To support capacity-building to enhance awareness and understanding of trade and environment linkage of Committee members and of stakeholders at the national and subregional (governorate) levels.

9. With regard to membership in the committee, differentiation was made between standing members and members with observer status. In terms of structure, preference was indicated for the designated representatives from member institutions to contribute to the work of the committee and report back to their respective institutions on the outcome of deliberations.

10. Standing members would include the Ministry of Environment (Chair), Ministry of Trade (Vice-Chair), Ministry of Industry and Minerals, Ministry of Planning and Development Cooperation, Central

Organization for Standardization and Quality Control, Ministry of Finance and the General Commission for Customs, Ministry of Health and the Ministry of Agriculture.

11. Organizations having observer status would include the Ministry of Foreign Affairs, Ministry of Higher Education and Scientific Research (representing universities), Federation of Iraqi Chambers of Commerce, Iraqi Federation of Industries and the Union of Iraqi Businessmen.

12. By-laws were discussed, notably those related to the responsibilities of the secretariat of the committee, the frequency of meetings and decision-making procedures. The secretariat/coordination unit of the Iraqi committee would be based at the Ministry of Environment and would be responsible for the following:

- (a) Preparing and issuing invitations;
- (b) Drafting the meeting agenda;
- (c) Convening meetings;
- (d) Preparing and disseminating meeting reports;
- (e) Supporting the preparation and finalization of the workplan (the workplan cycle would need to be determined, the proposed duration being of one, two or three years);
- (f) Preparing and disseminating annual progress reports on the workplan and activities of the committee;
- (g) Maintaining and disseminating the membership list.

13. The secretariat would also have the prerogative to invite technical experts and civil society representatives to participate in meetings of the committee on an *ad hoc* basis.

14. It was agreed that the committee should convene on a regular basis, with frequency to be determined. In addition, special sessions of the committee could be convened prior to negotiations related to trade and environment agreements (at least two weeks prior to a negotiation session).

15. The decision-making procedure (voting by majority, three-quarters majority or consensus) would need to be established.

16. The following next steps were identified:

(a) The Iraqi Delegation, under the leadership of the Ministry of Environment representative, will prepare a joint mission report on the round table, its conclusions and recommendations, which will be issued to the Minister of Environment by early February. The report will recommend:

- (i) Convening a meeting with the Ministry of Trade to discuss the outcome of the round table;
 - (ii) Drafting a decree for consideration and approval by the Council of Ministers, to be signed by the Director General of the Council of Ministers (Diwani Order);
- (b) The Ministry of Environment will consult with local counterparts regarding the timing and progress made in setting up the committee, which will be heavily dependent upon local circumstances surrounding the forthcoming elections (March 2010) and the security situation;
- (c) ESCWA will provide English and Arabic versions of the draft proposal for establishing a national committee on trade and environment, based on the discussions held and will advise on forthcoming regional meetings on trade and environment.

B. PALESTINE

17. The participants were of the opinion that the Palestinian Committee on Environment and Trade should comprise technical experts with advisory capacity and the ability to influence high-level decision-making and policy formulation. Its mandate would be to:

- (a) Review, conduct analysis and prepare recommendations on trade and environment linkage;
- (b) Disseminate information and ensure follow-up on trade and environment issues at the institutional level.

18. The purpose of the committee would be:

- (a) To serve as a platform for discussing the nexus between trade and environment issues;
- (b) To examine and seek to enhance environmentally-sustainable trade flows and domestic production by:
 - (i) Advising and assisting Palestinian producers to comply with national standards and standards for export markets (technical regulations and standards);
 - (ii) Assisting Palestinian producers to meet international standards, including securing certification of compliance with such standards;
 - (iii) Advising and supporting the formulation of and compliance with international standards, including conformity assessment procedures (certification and accreditation of certification bodies);
 - (iv) Advising on the preparation and review of technical regulations and standards to be developed by the Palestine Standards Institution;
 - (v) Increasing consumer awareness about certification and increasing consumer confidence in issued certificates;
- (c) To provide technical advisory support on bilateral and multilateral trade agreement negotiations, including their preparation, activation and review, in particular by assessing the benefits and cost of membership in various multilateral conventions, including the Euro-Mediterranean Partnership agreements, agreement with Turkey and agreements being pursued under the WTO negotiations;
- (d) To examine and raise awareness about domestically-prohibited goods, namely goods for which access to Israel is rejected and which are subsequently sent to Palestine (such as chemicals);
- (e) To raise awareness of and support negotiations on trade and environment linkage associated with products and production in Israel and Israeli settlements from a technical perspective. In particular, to identify and increase understanding about the environmental impact of goods produced in Israeli settlements, including wastewater and air pollution emitted by the settlements in the production of goods destined for use outside the settlements (such as battery production);
- (f) To raise awareness among national stakeholders and the public on trade and environment linkage;
- (g) To facilitate and organize capacity-building activities for committee members and associated experts.

19. With respect to membership, the committee would include standing members and members with observer status. Designated representatives from the member institutions to the committee would serve on the committee and also serve as focal points for leading or coordinating the collection, review and follow-up on trade and environment issues within their respective institutions. As such, every member would be responsible for disseminating and following up recommendations within his/her institution.

20. Standing members would include the Environment Quality Authority, Ministry of National Economy, Palestine Standards Institution, Ministry of Finance and the General Commission for Customs, Ministry of Agriculture, Palestinian Federation of Industries and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture. A non-governmental organization, research centre or university may be admitted on a rotating membership basis.

21. Members with observer status would include the Ministry of Planning and International Cooperation and the Ministry of Foreign Affairs.

22. By-laws relating to the responsibilities of the secretariat, frequency of meetings and decision-making procedures were discussed. The role of the secretariat/coordination unit (whether formal or informal) may be summarized as follows:

- (a) Preparing draft agenda for meetings;
- (b) Sending invitations to meetings;
- (c) Preparing and distributing meeting notes (which may be kept as an internal document);
- (d) Maintaining, updating and distributing membership lists;
- (e) Preparing and disseminating annual progress reports on committee workplans and activities, including electronic dissemination;

23. The secretariat would also have the prerogative to invite technical experts to contribute to the work of the committee or to participate as observers in committee meetings on an *ad hoc* basis.

24. Regular meetings would be convened (every two to three months, for example), in addition to special sessions as required.

25. Decision-making would be made by consensus.

26. The planning cycle of the work programme would be set at two to three years.

27. Priorities for consideration and inclusion in the work plan were discussed. Agriculture and food production, pharmaceuticals, stone and marble were identified as key sectors. Other priorities may include the following:

- (a) Reviewing and advising on technical regulations and standards, including health and safety, and environmental standards related to children's toys and packaging requirements (including the pre-treatment of packaging materials for stone and furniture exports);

- (b) Supporting WTO negotiations;

- (c) Examining trade and environment linkage associated with export-oriented manufacturing in Israeli settlements.

28. The following next steps were agreed upon:

(a) The Environment Quality Authority will solicit comments from delegation members and prepare a draft mission report for circulation and comment in order to finalize a mission report. The report will be finalized by 15 February 2010;

(b) High-level support will be secured for the establishment of an inter-ministerial, participatory committee on environment and trade, following a working meeting to formalize and finalize a draft decree for the establishment of the committee;

(c) In order to foster exchange of regional experience and lessons learned, ESCWA will provide contact information for the Secretary of the Yemeni National Committee on Environment and Trade and information on forthcoming regional activities on trade and environment.

II. MAIN TOPICS OF DISCUSSION

29. The topics discussed during the first two days of the round table are summarized by working session in the following sections.

A. OPENING AND INTRODUCTION

30. Following opening statements and a *tour de table* to allow participants to introduce themselves and their trade and environment interests, a presentation was given which offered a brief introduction to the linkage between trade and environment in the context of sustainable development, the liberalization of trade in environmental goods and services, basic issues related to intra-Arab trade, and priority areas in trade and environment in the Arab region.

B. OVERVIEW OF GENERAL TRADE AND ENVIRONMENT PRINCIPLES

31. During the second session, two presentations were given. The first discussed the general principles of international trade related to the environment, including the evolution of trade and environment policymaking, related General Agreement on Tariffs and Trade (GATT)/WTO principles and dispute settlement understanding. The second presentation clarified general principles of international environmental law and trade-related MEAs, and their relationship to international trade principles.

C. ENVIRONMENTAL REQUIREMENTS AND MARKET ACCESS

32. WTO agreements on TBT and SPS measures were defined, explained and compared in terms of their legal obligations and key provisions. Procedures for conformity assessment were discussed, and concerns and challenges in terms of the infrastructure required to perform conformity assessment in developing countries were highlighted. Labelling requirements and their implications for market access were also discussed.

33. A conceptual framework for examining standards and technical regulations was provided, following which the trade implications of environmental, health and safety requirements were highlighted with examples from the agro-food, textile and garment, pharmaceutical, electronics and furniture sectors. Existing public and private eco-labelling schemes were also discussed insofar as they constitute informal technical barriers to trade and a further obstacle to accessing developed country markets.

34. The session concluded with a case study on the preparation of a Lebanese food standard for *zaatar* (thyme), which drew attention to the importance and level of technical and legal complexity involved in the preparation of product standardization procedures and the implications that this might have on market access.

D. ISSUES UNDER NEGOTIATION BEFORE THE WORLD TRADE ORGANIZATION

35. Trade and environment issues under negotiation before the WTO were underlined. In particular, the work programme of the WTO Committee on Trade and the Environment and the mandate of the Doha Development Agenda were explained, and areas of key importance to the countries of the region were highlighted.

36. The liberalization of trade in environmental goods and services (EGS), which was noted in the Doha Development Agenda, was discussed in terms of market size for such goods and services, and dynamic gains and losses which may be incurred by the Arab countries following their liberalization. Finally, the proposed League of Arab States guidelines and list for the liberalization of environmental goods were presented.

E. ENVIRONMENTAL ASPECTS OF INCREASING INTERNATIONAL TRADE

37. ESCWA experience in supporting the establishment of national transport and trade facilitation committees in ESCWA member countries was shared with the round table participants. In particular, the mandate, mechanisms, powers and organizational structure of these committees were explained. Based on an analysis of the results of a survey conducted by ESCWA to examine the activities of these established committees, the challenges faced and efforts undertaken for their activation were reviewed.

38. The second presentation tackled the subject of green trading for energy systems and services, which is crucial for reducing greenhouse gas emissions at source. Energy efficiency and environmental considerations (emissions) for selected energy equipment and systems were outlined in particular, in addition to the environmental considerations associated with fuel trading (such as natural gas, petrol and diesel). Finally, the core requirements and approach for the implementation of green trading and procurement of energy systems and services were discussed, stressing the importance of determining priority areas and evaluating alternative options.

39. The last presentation in the session highlighted sustainability impact assessment (SIA) as a tool for bringing to light issues of concern for trade, environment and sustainability, and guiding the decision-making process. Examples were provided based on two such assessments in which ESCWA was involved, namely the SIA of the Euro-Mediterranean Free Trade Area (EMFTA), and the SIA of industrial zones and free zones in selected Arab countries.

F. PROGRAMMING AND PLANNING

40. The Regional Program for Trade and Environment Capacity-building in the Arab Region, launched under the auspices of the League of Arab States, was presented, including its membership, objectives, and priorities for action and skills development. Recent activities implemented by ESCWA under the Program were briefly discussed, and it was noted that these and other activities implemented by partner institutions are included in yearly progress reports and posted on a dedicated website, which can be accessed at <http://www.escwa.un.org/tear>.

41. Finally, global and regional experience (the former from Canada and Finland, and the latter from Jordan, Kuwait, Saudi Arabia, the Syrian Arab Republic and Yemen) in establishing national trade and environment committees was presented, comparing institutional and legal structure, scope of work, activities and civil society participation.

III. ORGANIZATION OF WORK

A. VENUE AND DATE

42. The Round Table on Issues Related to the Establishment and Activation of National Committees on Trade and Environment was held at the UN House in Beirut from 12-14 January 2010.

B. OPENING

43. The round table was formally opened by Ms. Anhar Hegazi, Director of the Sustainable Development and Productivity Division, and Ms. Roula Majdalani, Chief, Technical Cooperation Section, Programme Planning and Technical Cooperation Division at ESCWA. Opening addresses were also delivered by the heads of the Iraqi and Palestinian delegations, Mr. Yousif Muayad Yousif, Head, Chemicals Management, Chemicals Management Section, Iraq Ministry of Environment, and Mr. Imadeddin al-Baba, Head, Research and Development, Palestinian Environment Quality Authority.

C. PARTICIPANTS

44. The round table was attended by nine participants, including three representatives from the Iraqi ministries of environment, industry and minerals, and foreign affairs, and six Palestinian representatives from the Environment Quality Authority, the ministries of national economy, finance and foreign affairs, the Palestinian Standards Institution and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture. The list of participants is contained in the annex to this report.

D. AGENDA

45. Presentations and discussions were made in the following six sessions:

- (a) Opening and introduction;
- (b) Overview of general trade and environment principles;
- (c) Environmental requirements and market access;
- (d) Issues under negotiation before the WTO;
- (e) Environmental aspects of increasing international trade;
- (f) Programming and planning.

46. The last day of the round table (14 January 2010) was split between two national discussion sessions, one devoted to Iraq and the other to Palestine, to discuss country-specific issues pertaining to the establishment of national trade and environment committees.

E. EVALUATION

47. An evaluation questionnaire was distributed in order to assess the relevance, effectiveness and impact of the round table. All nine participants responded to the questionnaire. In general, feedback was positive, with eight respondents indicating that they had highly benefited from the round table. All respondents noted that the round table had achieved its objectives and met their expectations (responses were divided between “totally” and “to a great extent”). Participants were unanimous as to the excellent quality of organization of the round table and the need for follow-up activities, including capacity-building workshops on selected trade and environment issues and networking meetings to exchange experience with other Arab trade and environment committees.

F. DOCUMENTS

48. The list of documents submitted to the round table is available on the ESCWA website, at: <http://www.escwa.un.org/information/meetingdetails.asp?referenceNum=1199E>.

Annex*

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