*Integrated **Environmental** Management Information Series*

Environmental Assessment of Trade-related Agreements and policies in South Africa

18

Department of
Environmental Affairs and Tourism

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PREFACE

This document is one of a series of overview information documents on the concepts of, and approaches to, integrated environmental management (IEM). IEM is a key instrument of South Africa's National Environmental Management Act (NEMA). South Africa's NEMA promotes the integrated environmental management of activities that may have a significant effect (positive and negative) on the environment. IEM provides the overarching framework for the integration of environmental assessment and management principles into environmental decision-making. It includes the use of several environmental assessment and management tools that are appropriate for the various levels of decision-making.

The aim of this document series is to provide general information on techniques, tools and processes for environmental assessment and management. The material in this document draws upon experience and knowledge from South African practitioners and authorities, and published literature on international best practice.

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Note

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SUMMARY

Trade and the environment are inextricably linked and it has always been recognised that trade agreements need to give due consideration to the environmental aspects that may affect the agreement, or be affected by the agreement. Currently, South African trade agreements do not undergo any kind of environmental assessment but there are plenty of examples of environmental assessment tools in other parts of the world.

Sustainability Impact Assessments (SIAs) are well established in Europe and are regularly undertaken within the frameworks of trade agreements, or for proposed trade agreements, in both Canada and the USA. Other tools such as Strategic Environmental Assessment (SEAs), Integrated Assessments, and Strategic Integrated Assessments of Trade (SIATs) have been developed and are used in differing circumstances around the world.

The World Trade Organisation (WTO), the international body for trade regulation, has within it, the Committee on Trade and Development (CTD) and the Committee on Trade and the Environment (CTE), both of which work on environmental and sustainable development matters. Multilateral Environmental Agreements (MEAs) pose challenges to the WTO as they do create conflicts with the rules that have been established to govern international trade, particularly as many were framed before the WTO was formed. Discussions continue of different ways and means of accommodating trade rules and the differing needs of environmental protection.

South Africa has a number of Constitutional and legal mechanisms with which to undertake environmental assessment of trade agreements but they have not yet been utilised in this way. There is a clear need to establish an inclusive national trade policy process which will need to accommodate the many other policy processes with which it will overlap. Environment is just one of a number of significant factors that need to be considered when developing the decision making framework and brief to guide trade negotiators.

This document sets out to provide and introduction to trade and the environment and environmental assessment of trade agreements. There is also a supplementary reading list and a series of websites which provide additional and more in-depth explanation on the many complex parts of trade and the environment which cannot be detailed in the limited space available.

CONTENTS

1. PURPOSE AND STRUCTURE OF THIS DOCUMENT

The purpose of this publication is to introduce the reader to the relationship between trade agreements and policies and the environment. It is also to demonstrate why environmental assessment (and its successors, Integrated Assessment and Sustainability Impact Assessment) is an important part of the decision-making process. Environmental assessment of trade agreements and policies is a highly complex process which is often influenced by both economic and political perspectives. This document does not cover all the detail behind the different aspects, but rather present basic explanations and introductions to concepts. The reference list provides is a useful starting point for readers wishing to pursue the question of environmental assessment, sustainability impact assessment and sustainability assessment of trade agreements and policies further.

Section 2 of this document provides a broad introduction to trade and the environment. Environmental assessment and trade is discussed in Section 3 in terms of the following: the current legal and policy status in South Africa; international perspectives; methods and techniques for assessment and finally the practicalities of environmental assessment of trade-related agreements and policies. Conclusions and challenges are presented in Section 4.

2. INTRODUCTION TO TRADE AND THE ENVIRONMENT

2.1 Background

The relationship between trade and the environment has become very significant in international relations. There are at least three main aspects to the relationship:-

* The environmental impact of trade and trade policies;
* The potential effects of environmental measures on trade flows; and
* The use of trade measures to achieve environmental policy aims.

The increasing global economic interdependence, trade liberalisation and "globalisation" is changing the way in which business is conducted. This, coupled with growing pressures on the environment and the use and exploitation of natural resources, has meant that trade and the environment have become inextricably linked. If trade and the environment are to be mutually supportive, it is important that the trade liberalisation process (free trade) is paralleled with the development and strengthening of effective and non-protectionist environmental legislation nationally, regionally and internationally . Similarly, "trade friendly" environmental policies could provide an incentive for technological innovations, promote economic efficiency and consequently improve productivity. Therefore to be effective, trade rules should support, rather than constrain, the ability of countries to develop and implement adequate and non-protectionist environmental measures. These rules should assist in the elimination of environmentally damaging subsidies and the promotion of environmentally friendly goods and services, particularly where goods and services originate from developing countries.

In a perfect world, trade and environment would be in harmony but in practice, differing national and regional economic and political priorities mean that environments are degraded, biodiversity is threatened and ecosystems destroyed. Logging in the Amazon is part of one nation's survival mode whilst another seeks protection. The demand for a product in one part of the globe may outweigh the conservation priorities of that same product in another part of the globe. The pressures to stop whaling from the West against the demand for whale meat in the East is a typical example.

The complexities are influenced by the very many different, and often interlinking, perspectives that stakeholders may have. It is not possible to spell out all of the perspectives that exist. However, an introductory view of three primary perspectives, i.e. "trade"; "environment", and "development", does help to put the complexities in some form of context. Table 1,"Trade and the Environment – Summary Perspectives" below, may help to clarify where some of the views are derived from. It should be remembered when reading this table that there are also complex interrelationships and the views held in different perspectives may also overlap or duplicate.

Table 1 - Trade and the Environment - Summary Perspectives

Trade Perspective	Environmental Perspective	Development Perspective
Trade creates wealth that could be used to increase well-being	The status quo seriously threatens the earth's ecosystems	Over one fifth of the world's population live in absolute poverty, most of them in developing countries, and the gap between rich and poor countries continues to widen. Developing countries' top priority should be reducing that poverty and narrowing that gap
But most national governments answer too directly to national industries, and will try to preserve domestic markets for these industries, keeping foreign competitors at bay.	But most national governments answer too directly to national industries, and will try to protect them against "costly" environmental demands	Openness to trade and investment may be the key way to do so, by increasing exports, though the links between openness and economic growth are not automatic
In doing so, governments make their citizens worse off; domestic firms become inefficient; domestic consumers pay higher prices, and more efficient foreign firms are shut out	In doing so, governments make their citizens worse off: domestic firms make profits, but the public subsidises them by paying the costs of environmental degradation	But the rich countries protect their industries with subsidies, special trade rules and tariff systems that hurt developing country exporters
The best protection is a strong system of rules against such behaviour, such as WTO rules, by which all countries abide	One way to avoid these problems is a strong system of rules spelling out clearly how the environment shall be protected, at national and international levels	The best solution is a strong set of multilateral rules against such behaviour, but current WTO rules are too deeply influenced by the powerful trading (developed) nations, and liberalisation has selectively benefited sectors or interest to developed countries
Even after signing such agreements, countries will look for loopholes. Banning or restricting goods on environmental grounds may be one such loophole	Even after such rules are in place, governments and industry will look to scuttle them. Trade rules forbidding certain types of environmental regulations may be one way to do so	Over time, as such behaviour is outlawed by trade rules, rich countries will look for new ways to keep foreign competition out of their markets. Banning or restricting goods on environmental grounds may be an answer
Trade can actually be good for the environment, since it creates wealth that can be used for environmental improvement, and the efficiency gains from trade can mean fewer resources used and less waste produced	Trade means more goods produced and thus in many cases more environmental damage. The wealth created by trade will not necessarily result in environmental improvements	Demands that poor countries comply with rich country environmental standards are unfair, particularly if they are not accompanied by technical or financial assistance. Priorities differ; for example in many poor countries, clean water is paramount. Rich countries often caused most of the environmental damage in the first place

Adapted from IISD/UNEP (2000)

The imperative of poverty alleviation, particularly for less developed countries, is one that is often linked to "development" as viewed in the traditional sense of the word, i.e. driven by the goal of economic growth. In other words, economic growth is the only way of solving poverty problems. The new paradigm of sustainable development which recognises development as being a balanced growth within the spheres of economic, social and environmental dictates, suggests that free trade, unrestrained capitalist development and minimalist governmental interference with trade may not be a practical or potential successful doctrine to pursue. This is particularly true where social and environmental inequities (pollution, environmental degradation, decline of health in communities) may have developed as a result of exploitation for the sake of, for example, industrial development and growth.

Put simplistically, most of the present developed nations have gained much of their wealth and power through past colonial exploitation of less developed countries, cheap labour, and lack of capacity of poor countries to negotiate fair prices for their natural resources and commodities. Thus a situation exists whereby developed nations have a "head start", in terms of development of growth opportunities, over developing nations, Protection of that "head start" and advantage is part of the reason for developed countries' protectionist tariffs, subsidies for their local farmers and producers and the blocking of external competition from the emerging and developing nations. Thus it can be recognised that free trade will work if participants operate in a marketplace which has level and equal opportunities and constraints. However, it is realistic to suggest that developed nations are unlikely to surrender their "head start" advantage and thus allow the developing nations to threaten their own mature (and moribund), domestic markets with competition on equal footing, which could result in economic decline in their own marketplaces.

As a balance to the perceived inequities of "free" trade, there has been an emergence of the concept of "fair trade" (Co-op America, 2003). This attempts to bring focus down to a lower level and puts forward the concept that fair trade should be undertaken, applying the following principles:-

* *Creating opportunities for economically disadvantaged producers*
  Fair trade is a strategy for poverty alleviation and should create opportunities for producers who have been economically disadvantaged or marginalized by the conventional trading system.
* *Gender equity*
  A focus to ensure that women's work is properly valued and rewarded.
* *Transparency and accountability*
  Fair trade seeks to promote transparent management and commercial relations in order to deal fairly with trading partners and customers.
* *Capacity building*
  Fair trade aims to assist developing producer independence through sustained relationships wth trading partners that include skills development, improved access to markets, financial and technical assistance.
* *Payment of a fair price*
  This is viewed as a price that has been agreed through dialogue and participation and reflects the cost of production that is also socially just and environmentally sound. Fair trade promotes equal pay for equal work amongst men and women and prompt payment with help with pre-production financing, wherever possible.
* *Safe and healthy working conditions*
  These apply for all workers and any participation of children conforms to the UN Convention on the Rights of the Child.
* *Production practices that are environmentally sustainable*
  Fair Trade encourages production practices that manage and use local resources sustainably and aim to preserve natural environments for future generations.

2.2 World Trade Organisation (WTO)

The World Trade Organisation came into being on 1st January 1995, replacing the previous GATT (General Agreement on Tariffs and Trade) Secretariat, as the organisation responsible for administering the international trade regime, complete with a legally binding dispute resolution mechanism..

2.2.1 History

The beginnings of international trade negotiating date back to 1947 when the General Agreement on Tariffs and Trade (GATT) was concluded. From 1948 to 1994, eight negotiating "rounds" (A round of meetings was described by the town or city it started at or a key individual linked to it- Geneva (1948); Annecy (1949); Torquay (1951); Geneva (1956); Dillon (1960-62); Kennedy (1962-67); Tokyo (1973-79) and Uruguay (1986-94)) took place to firstly develop requirements to lower and eliminate tariffs, and secondly, to create obligations to prevent or eliminate other types of impediments or barriers to trade. The last of these rounds, the "Uruguay Round" (lasting from1986 to1994) started in Uruguay and ended with the Marrakech Declaration of 15th April 1994 which resulted in GATT being replaced by the WTO in 1995.

The WTO ended up having not only a larger membership than GATT (128 by the end of 1994), it also had broader terms of reference, covering not only trade in merchandise goods (which GATT applied to), but also services and intellectual property.

2.2.2 WTO Functioning

The Marrakech Agreement, which established the WTO, describes the main functions of the organisation as overseeing and implementing WTO agreements, providing a forum for trade negotiations and providing a dispute settlement mechanism. The goals behind these functions include raising standards of living, ensuring full employment, ensuring large and steadily growing real incomes and demand, and expanding the production of, and trade in, goods and services. Also specifically mentioned is the need to assist developing countries in securing a growing share of international trade.

The WTO seeks to achieve its goals through the implementation of two core principles:-

The principle of national treatment which requires that goods and services of other countries be treated in the same way as those of your own country; and the most favoured nation (MFN) principle which requires that if special treatment is given to the goods and services of one country, they must be given to all WTO members. No one country should receive special treatment that distorts trade. (IISD/UNEP, 2000)

Box 1: WTO and Sustainable Development

In a ruling (the "shrimp turtle case") by the WTO's own Appellate Body in 1998, it was stated that the interpretation of WTO law should reflect the Uruguay Round's inclusion of the language and concepts of sustainable development. This ruling should have moved the WTO to require the legal provisions of WTO agreements to be interpreted and applied in terms of the principles of sustainable development. In practice, realistic, meaningful and broad-based implementation of this ruling still has to be experienced.

Two committees were established at Marrakech to discuss how the WTO deals with sustainable development. They are the Committee on Trade and Development (CTD) and the Committee on Trade and the Environment (CTE). Since 1996, the CTE has been working on a ten item agenda:-

* The relationship between trade rules and trade measures used for environmental purposes, including those in Multilateral Environmental Agreements (MEAs);
* The relationship between trade rules and environmental policies with trade impacts;
  a) The relationship between trade rules and environmental charges and taxes
  b) The relationship between trade rules and environmental requirements for products, including packaging, labelling and recycling standards and regulations;
* Trade rules on the transparency (full and timely disclosure) of trade measures used for environmental purposes, and of environmental practices with trade impacts;
* The relationship between the dispute settlement mechanisms of the WTO and those of MEAs;
* The potential for environmental measures to impede access to markets for developing country exports, and the potential environmental benefits of removing trade restrictions and distortions;
* The issue of the export of domestically prohibited goods;
* The relationship between the environment and the Trade-Related Intellectual Property Rights (TRIPS) Agreement;
* The relationship between the environment and trade in services; and
* WTO's relations with other organisations, both non-governmental and intergovernmental. (IISD/UNEP, 2000)

Some observers argue that the CTE is far too cumbersome a mechanism and may be one of the causes of delays in dealing with environment-related issues timeously within WTO. Others question its seeming lack of productive outputs (Wilson, 2001).

2.2.3 Strengths

One of the major strengths of the WTO is its dispute resolution mechanisms. This theoretically enables the smaller and weaker economies an opportunity to obtain a fair hearing on trade matters without being subject to threats, reprisal or sanction. This is also a weakness in that the WTO bureaucratic structures are slow, time consuming and cumbersome. A great deal of damage can be done, and opportunities and money lost, by the time the issues are finally addressed. A major strength of the organisation is its inclusivity and yet again, this is also a weakness in that in the process of covering all, the time taken to deal with the issues often exceeds the ability to come up with solutions within practical time frames.

2.2.4 Weaknesses

A major weakness in the WTO is the gulf between the developed and developing nations which makes negotiating and bargaining uneven and often unfair. This can thus make the dispute resolution process a weakness if for example, the mechanism rules in favour of a smaller nation, how can that nation bring sanctions against larger, stronger and more developed nations? The organisation is secretive and undemocratic, making it very difficult to establish clear lines of accountability. The complex WTO structures, procedures and rules favour developed nations with the advanced capacity and opportunity to manoeuvre agendas, and organisation to favour their priorities and focus. Members have differing degrees of representation and smaller economies are unable to make their cases clearly and are often disadvantaged by their inability to be able to debate and argue issues at a high level. Continued agricultural protectionism in the North is frustrating developing countries' abilities to effectively compete and dumping of subsidised goods by larger countries on other members goes unpunished because of the economic might and influence of the members concerned. Some NGOs argue that the WTO essentially protects multinational corporations and favours rich countries and groupings such as the USA, the EU, Japan and Canada. The WTO seems to be unable to accommodate the needs and concerns of the developing countries. This is reflected in the fact that every Ministerial meeting since Seattle in 1999 has failed, primarily because of the objections raised by the developing country members, and secondarily because of the controversial nature of proposals, which were now under a wider public scrutiny. The 2001 Doha discussions similarly suffered a lack of progress due to the objections from the developing country members and a heightened interest from previously inactive stakeholders. The Cancún meeting in 2003 also failed to reach agreement due to polarisation on North-South issues and the inflexibility of the WTO decision making process. The Hong Kong ministerial meeting to be held in December 2005 will face serious problems if the backlog of resistance cannot be resolved. WTO Agreements are suffering from structural imbalances and weaknesses which are tending to favour certain members, to the detriment of others. Problems of implementation experienced by the developing countries are arising and were not identified at the time of signing because of lack of capacity to identify issues. Developed country attitudes to these problems seem to be that the agreements were signed and are legally binding commitments, however subsequently painful they may be to the signatories.

The weaknesses of the WTO structures and their inability to manage and cope with regional trading differentials have resulted in a number of "trade wars". Most notably the long running "banana war" between the US and the EU which lasted over three years. Currently, the US is about to be sanctioned by the EU for the dumping of steel products.

2.2.5 Future WTO Challenges

There are growing calls for a re-assessment of how the WTO shapes global trade. Developing countries are complaining that they are not seeing sufficient opening of global markets for their goods, particularly in the field of agriculture. Criticism that the WTO is bogged down with procedural work and is unable to adapt to the changing issues of trade and focus on improvement and harmonisation. Rapid globalisation which favours multinationals to the detriment of governments of developing countries, creates enormous stresses and opposition, evidence of which was seen at the demonstrations at the Seattle and Doha ministerial conferences. Seattle was the first time that WTO activities galvanised, coordinated response from diverse stakeholders, many of whom had previously not vocalised their concerns as radically prior to that point in time. These stakeholders included NGOs, trade unions, faith-based groups, anti-globalisation groups and indigenous peoples.

Proposals indicate that a review is required of current issues to see which could be moved to other fora, e.g. transferring the TRIPS agreement out of the WTO framework. Calls are being made for greater focus upon sustainable development (stalled in committees for decades) and move away from domestic policy issues such as investment and subsidy policies.

South Africa, as a strong trading nation in Africa, will need to become more involved in WTO reform if its membership of the G20+ grouping of developing nations is to be taken seriously. The country will need to be supported by strong internal policy structures, backed up by regional support through the African Union, and SADC.

3. ENVIRONMENTAL ASSESSMENT AND TRADE

3.1 Background

Environmental Assessment is now regarded by many countries as an important tool to assist them in the negotiation of trade agreements to ensure that they align with national sustainable development policy prerogatives. This stems from the guidance given by Principle 17 of the 1992 Rio Declaration.

Box 2: 1992 Rio Declaration

Principle 17
"…environmental impact assessment, as a national instrument, shall be undertaken for proposed activities that are likely to have a significant adverse impact on the environment and are subject to a decision of a competent national authority…"

United Nations, 1993

Environmental Assessment is commonly linked to projects and increasingly to plans and programmes through the application of Strategic Environmental Assessment[1] (SEA) (DEAT, 2004) However, the idea of policies and agreements undergoing an environmental assessment is one that is not readily considered by most in South Africa. Having said that, the South African Integrated Environmental Management (IEM) process has always, as far back as 1989 when it was first developed, considered that policies, plans and projects should be assessed.

Trade agreements are negotiated primarily upon the premise that business in both countries will benefit. The benefits would include monetary benefits, job creations or prevention of job losses, stimulation of parts of the economy, creation of new businesses and general economic growth. The revolution in one of the approaches to doing business has included the consideration of "Tripe Bottom Line" or sustainable development thinking. Thus social and environmental issues must also be considered in business decision-making. Within the private sector, environmental and sustainability performance are perceived as being important enough to be measured through environmental and sustainability reports. (These reports are described in more detail in IEM Information Series 15 – Environmental Impact Reporting)

It is only after considering the relationships between trade, industry and environment that it becomes evident that there are differing views on whether it is economic development or affluence that causes pollution. (See Box 3 below) There is no "right" or "wrong" view but it is necessary to re-think approaches to economic development and pollution and find ways to harmonise both for the benefit of people and the environment, whilst ensuring that pollution is minimised or eliminated.

Box 3: Pollution Theory Dichotomies

The Environment Kuznets Curve Theory
This theory indicates that in the process of economic development, a country pollutes more in the early stages, but that economic growth and greater wealth means that countries in later stages of development, can invest in environmental improvement.

The Pollution Haven Hypothesis
This contends that international trade agreements will cause pollution-intensive industries to migrate to countries where environmental standards are more relaxed, such as poorer, developing countries.

(United Nations, 2001)
Author's note- Both theories contain truths but, equally, are controversial in nature.

3.2 Current Legal and Policy Status of Environmental Assessment of Trade-related Agreements and Policies in South Africa

At the time of writing, the South African Government, through its departments of Environmental Affairs and Tourism, and Trade and Industry, does not undertake any formal environmental assessments of trade-related agreements and policies.
A review of the National Environmental Management principles, as they appear in the National Environmental Management Act (NEMA), No 107 of 1998, as amended, suggests that some form of assessment should be undertaken. Section 2 (4) (b)[2] , 2(4) (e)[3] , and 2(4) (i)[4] all indirectly indicate that trade related agreements and policies which affect, or could affect, the environment need to be assessed. The Environmental section of the Constitution also reinforces the importance of sustainable development and the consideration of the environment in social and economic development. (see Box 1)

Box 4 – Environmental Rights

"…24. Environment
Everyone has the right –
(a) to an environment that is not harmful to their health or well-being; and
(b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that-
(i) prevent pollution and ecological degradation;
(ii) promote conservation; and
(iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development…."

(Constitution of the Republic of South Africa, Act 108 of 1996)

[1] "...SEA is a process to assess the environmental implications of a proposed strategic decision, policy plan or programme, piece of legislation or major plan..."- White paper on Environmental Management Policy, 1999, Department of Environmental Affairs and Tourism
[2] "...Environmental Management must be integrated, acknowledgeing that all elements of the environment are linked and interrelated, and it must take into account the effects of decisions on all aspects of the environment and all people in the environment by pursuing the selection of the best practicable environmental option..."
[3] "... responsibility for the environmental health and safety consequences of a policy, programme, project, product, process, service or activity exists throughout its life cycle..."
[4] "... The social, economic and environmental impacts of activities, must be considered, assessed and evaluated, and decisions must be appropriate in the light of such consideration and assessment..."

Various government departments have direct or indirect influences on trade and the environment, all of which could institute or initiate environmental assessments. Those departments include Trade and Industry, Environmental Affairs and Tourism, Foreign Affairs, Agriculture, and Arts, Culture, Science and Technology (now restructured). Wilson (2001) noted that the Department of Trade and Industry's draft Environmental Implementation Plan (required by all government departments in terms of the National Environmental Management Act, No. 107 of 1998) identified "trade policy and global positioning" as having low priority in terms of environmental impact.

An example of how a policy could have an environmental impact helps to clarify some of the issues. Prior to democratisation, the South African Department of Agriculture subsidised the price of maize to ensure adequate quantities were grown. The result of this was that many farmers tried to put as much of their land under maize as possible to get the guaranteed crop prices. This meant that even marginal land was put under maize. The result of this was that the marginal land became degraded, and required more effort, fertiliser and treatment to produce the crop. Once the land was no longer used for maize, the soil quality ended up being poorer and part of the base resource of the country, its land, was degraded. If an environmental assessment of the subsidisation policy had been undertaken, this flaw might have been identified. It would then have been easy to stipulate that subsidies would be paid only on crops grown on land approved by the Department of Agriculture.

In the context of a trade agreement, if a favourable agricultural export agreement is negotiated with a foreign country, an assessment needs to be carried out to ensure that the pressure to produce more of that agricultural product is not going to have an unsustainable or negative environmental impact upon the land.

A systemic weakness in South Africa is that the country currently has no formal, structured national trade policy development process with which to determine the principles which are needed to guide the trade negotiators at the WTO. If this were put into place, it would make it easier to accommodate multi-disciplinary principle inputs such as environment, health, employment, and investment. The process would need to accommodate not only the demands of the WTO but also be flexible enough to accommodate regional initiatives associated with the African Union, SACU, SADC, SADC-COMESA, NEPAD and other developing frameworks.

Such a policy development process would require significant resources, capacity and expertise in order to ensure the high standards necessary to ensure that the country is able to negotiate optimal trade agreements for its needs.

3.3 International Perspectives on Environmental Assessment of Trade related Agreements and Policies

3.3.1 Multilateral environmental agreements

Multilateral Environmental Agreements (MEAs) are international agreements between more than two countries to regulate "cross border" environmental matters. There are well over 200 global treaties of this nature. (The number covering bilateral situations (i.e. agreements between two countries) are thought to number well over a thousand.) and these are dealt with in a separate IEM Information Series No 19. Reconciling the objectives of environmental protection and trade liberalisation is still a major issue. It is still being discussed within the WTO and no clear answers have yet emerged. (Brack & Gray, 2003)

There are approximately thirty MEAs that regulate trade or contain trade provisions. Key amongst these are the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora (CITES) - 1975; Montreal Protocol on Substances that Deplete the Stratospheric Ozone Layer - 1987; Basel Convention on the Control of Transboundary Movement of Hazardous Wastes and their Disposal – 1992; Convention on Biological Diversity - 1993; Framework Convention on Climate Change - 1994; Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade - 1998; and the Cartagena Protocol on Biosafety - 2000. These will also be dealt with in detail in a separate IEM Information Series No 19. Some trade aspects are summarised in Table 2 below for information. Table 3 provides examples of agreements with environmental components.

Table 2 : Examples of Trade Measures in MEAs (adapted from IISD/UNEP (2000))

Convention or Protocol	Examples of trade measures
Basel Convention	Signatories may only export a hazardous substance to another signatory that has not banned its import and that consents to the import in writing. Signatories may not import from or export to a non-signatory. Signatories are obliged to prevent the import or export of hazardous wastes if they have reason to believe that the wastes will not be treated in an environmentally sound manner .
CITES (Convention on International Trade in Endangered Species)	Bans international trade in an agreed list of endangered species. Also regulates and monitors trade in other species that might become endangered.
Montreal Protocol	Lists certain ozone depleting substances and bans all trade in those substances between signatories and non-signatories.
Rotterdam Prior Informed Consent Convention	Signatories can decide from the Convention's agreed list of chemicals and pesticides, which ones they cannot manage safely and will therefore not import. When trade does take place, agreed labelling and information requirements must be followed. Decisions taken must be trade neutral – i.e. if a signatory decides not to consent to imports of a specific chemical, it must also stop domestic production of that chemical for domestic use and for imports to any non-signatory.

Table 2 Continued: Examples of Trade Measures in MEAs (adapted from IISD/UNEP (2000))	
Convention or Protocol	**Examples of trade measures**
Cartagena Protocol on Biosafety	Signatories may restrict the import of some living genetically modified organisms (GMOs) as a part of a specified risk management procedure. Living GMOs that are to be intentionally released into the environment are subject to an advance informed agreement procedure and those destined for food, feed or processing must be accompanied by documents identifying them.
Stockholm Convention on Persistent Organic Pollutants (POPS)	Signatories agreed to the (almost complete) banning of the "Dirty Dozen" group of organic pesticides including dieldrin, and DDT, with the option of adding additional substances later.

Table 3: Trade Agreements with environmental components (adapted from Wilson, 2001)	
Trade Agreement	**Examples of environmental components**
SA-EU Trade, Development and Co-operation Agreement (TDCA)	Agreement says parties will co-operate to pursue sustainable development and environmental protection; provides opportunity to develop the environmental goods and services sector. Trade restrictions are allowed on the grounds of protection of health and life of humans, animals or plants or protection of national treasures. Environmental provisions incorporated within aims of economic co-operation relating to industry, investment, trade, energy, mining and small-, medium- and mico-enterprises (SMMEs).
Cotonou Agreement (Replaced Lomé)	Twenty year agreement, reviewable five yearly, between the European Community and African, Caribbean and Pacific States, signed in Contou, Benin in 2000.(South Africa signed up after democratisation.) Stipulations on gender equality; co-operation on environmental protection and sustainable use and management of natural resources; strengthening capacity for environmental management; provision for establishment of national platforms for non-state actors.

3.3.2 North America

Both the USA and Canada undertook environmental assessments of the environmental impacts of the North American Free Trade Agreement (NAFTA) and the 1994 Uruguay Round of Multilateral Trade Negotiations. The North American Commission for Environmental Cooperation (NACEC) carried out a number of assessments and made them publicly available. A methodology was developed and three case studies were published. (NACEC, 1999)

The Canadian Government has produced a "Handbook for Conducting Environmental Assessment of Trade Negotiations" (Department of Foreign Affairs and International Trade, Canada 2002) which was aimed at providing guidance to federal officials. A number of assessments have already been produced and the results used in decision making. The Doha trade negotiations were subject to an initial environmental assessment (Department of Foreign Affairs and International Trade, Canada 2003) and the conclusion was that the negotiations would have minimal effect upon the Canadian environment due to one, or a combination of three reasons:- Further trade liberalisation affects only a small proportion of Canada's trade (the bulk already being subject to NAFTA and other Free Trade Agreements);
Federal and provincial environmental legislation that can mitigate negative effects is or will soon be in place; and Some negotiations that seek clarification in procedures or establish a system of notification and registration will not directly translate into increased production or trade.

Although Canada would appear not to need to carry out environmental assessments, as a result to association with NAFTA, the Canadian government has taken the call to consider sustainable development in government activities seriously. The motivation to carry out the assessments probably stems from Principle 17 of the Rio Declaration. This was translated into the Canadian Cabinet Directive reproduced in Box 5.

Box 5: 1999 Canadian Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals (Driver for environmental assessment for trade agreements)

Consistent with the Government's strong commitment to sustainable development, Ministers expect that policy, plan and programme proposals of departments and agencies will consider, when appropriate, potential environmental effects.

More specifically, Ministers expect a strategic assessment of a policy, plan or program proposal to be conducted when the following two conditions are met:-
the proposal is submitted to an individual Minister or Cabinet for approval; and
implementation of the proposal may result in important environmental effects, either positive or negative.

Departments and agencies are also encouraged to conduct strategic environmental assessments for other policy, plan or program proposals when circumstances warrant. An initiative many be selected for assessment to help implement departmental or agency goals in sustainable development, or if there are strong public concerns about possible environmental consequences.

Ministers expect the strategic environmental assessment to consider the scope and nature of the likely environmental effects, the need for mitigation to reduce or eliminate adverse effects and the likely importance of any adverse environmental effects, taking mitigation into account. The strategic environmental assessment should contribute to the development of policies, plans and programs on an equal basis with economic or social analysis of potential environmental effects should be commensurate with the level of anticipated environmental effects. The environmental considerations should be fully integrated into the analysis of each of the options developed for consideration and the decision should incorporate the results of the strategic environmental assessment. Departments and agencies should use, to the fullest extent possible, existing mechanisms to involve the public, as appropriate and document and report on the findings of the strategic environmental assessment.
(Guidelines for implementing the Directive can be found at http://www.ceaa.gc.ca/act/dir_e.htm)

(Department of Foreign Affairs and International Trade, Canada 2002)

3.3.3 Europe

The European Union commissioned a Sustainability Impact Assessment of its negotiating position for the Millennium Round of trade negotiations. Additional SIAs have been undertaken on trade liberalisation negotiations between the EU and Chile and Mercosur (A South American union of trading nations).

3.3.4 Southern African Development Community (SADC)

There is no evidence to indicate whether SADC applies any environmental assessment initiatives to associated trade agreements and trade protocols or if any of SADC's member states apply any kind of environmental assessment procedures to their own bilateral or trilateral trade agreements and policies. This conclusion is based upon a review of agreements in Lewis, Robinson and Thierfelder (2001) and studies of SADC's own reports, particularly SADC's Directorate of Trade, Industry, Finance and Investment reports from 2001 and work programmes to 2007.

3.4 Methods and Techniques of Environmental Assessment and Analysis of Trade related Agreements and Policies

There is a wide variety of methods and techniques that can be used to carry out either focussed, or broad ranging, environmental assessments of trade policies and agreements. In many cases, a number of options are available from existing techniques which are combined to produce information and indicators which assist decision makers. A few examples of frameworks and individual methods currently in use are presented below

3.4.1 Integrated Assessment

The purpose of an integrated assessment is to:-
* Explore the linkages between trade, the environment and development;
* Inform policy makers across government;
* Inform negotiators;
* Develop policy packages; and
* Increase transparency in decision-making.

(United Nations, 2001)

The United Nations Environment Programme (UNEP) produced a reference manual on integrated assessment in response to a growing demand for a guide to assess trade policies. The manual has been made freely available to encourage wider knowledge of the technique and to introduce policy makers and negotiators to the added benefits derived from the assessment.

Whilst many of the elements of the Integrated Assessment may be viewed as similar to the Sustainability Impact Assessment (see below), the approach suggested by the UNEP manual is much more flexible and allows for alternative designs.

The design of the integrated assessment is guided by four factors:-
* Timing;
* Information, consultation and participation;
* Indicators; and
* Capacity building

(i) Timing

The assessment can take place prior to the negotiation or implementation of the trade agreement (an ex ante assessment); during the negotiations or implementation (concurrent assessment); or following the implementation or final ratification (ex post assessment). Each type of assessment has advantages and disadvantages. Some of these advantages and disadvantages are summarised in the table below.

Table 4: Examples of the advantages and disadvantages of various types of assessments			
	Ex ante Assessment	**Concurrent Assessment**	**Ex post Assessment**
Advantages	* Best suited to national initiatives where the options for structuring and implementing the policy are known in advance. * Can produce a consistent set of national positions.	* Good way of keeping trade negotiators informed of sustainable development issues * has benefit of known national positions, a negotiating agenda, a time frame and the ability to track directions that may emerge from negotiations * Is specific and policy-relevant	* Results and lessons from ex post exercises can help define content of future ex ante exercises and inform preparations for future trade liberalisation agreements and changes * appropriate if assessment purposes is to develop policy packages to mitigate negative effects of trade policies
Disadvantages	* Assessment based upon limited amount of information	* Also suffers from process uncertainties	

(ii) Information, consultation and participation

The UNEP manual approach underlines the importance of a strong component of public participation using actors from government and civil society. The value and utility of the integrated assessment is seen to be enhanced public participation because of the advantages of cooperation, expertise, ownership, capacity building and trust, which are associated with a broad based participative approach. The distinction between consultation and participation is clearly pointed out, defining consultation as involving the soliciting of contributions from experts and the general public without necessarily offering a substantive role on policy development, whereas participation is more inclusive whereby the participants play a key role in forming and implementing trade policies.

(iii) Indicators

The selection of indicators for integrated assessments must be carried out on a case-by-case basis. As a minimum, it is suggested that economic indicators that identify changes in trade flows and indicators that monitor environmental and social well-being are adopted.

Table 5: Examples of Core Indicators

Economic:
Average real income
Net fixed capital formation
Employment

Environmental:
Environmental quality (air, water, land)
Biological diversity
Other natural resource stocks

Social:
Public participation
Equity and poverty
Health and education
Gender inequalities
Issues affecting minorities

Adapted from Kirkpatrick and Lee, 1999

A simple "scoping" exercise is recommended, which takes account of the priorities and focus of the integrated assessment, to help select the sustainability indicators. Alternatively, "ready made" indicator sets can be used, examples of which include the United Nations Commission for Sustainable Development's working list of indicators, the OECD list of core indicators and the European Environmental Agency's "Environmental Signals" indicators.

The UNEP manual suggests that the selection criteria for the choice of appropriate indicators for the integrated assessment should be that they:-

* Reflect the full range of key sustainability issues;
* Be capable of showing trends of time;
* Be easily understood by non-specialists;
* Be credible;
* Be available; and
* Be measurable with an acceptable level of financial and human resources.

(iv) Capacity building

Capacity building is seen as an important consideration for policy makers. It is pointed out that indicator monitoring has both technical and institutional capacity requirements and the quality of the integrated assessment is heavily dependent upon adequate capacity to manage and implement the tasks that form a part of the assessment.

Capacity issues are identified at government, civil society, independent researcher and private sector levels. Within government, high levels of skills in monitoring, regulation and surveillance are required in the making and implementing of informed choices. If civil society is to play an adequate 'watch dog' and participative role, it needs capacity in research, advocacy, and networking. The research sector needs to be able to access data, carry out appropriate assessments, and publish and disseminate

results. The private sector needs to be able to engage with research institutions and act upon the data and information produced.

The manual stresses the importance of capacity building at a country level to assist governments to develop the expertise to deal with trade, environment and development related issues at national, regional and global levels. The disadvantage of poorer countries lacking adequate analytical resources, is seen as affecting their ability to engage in global decision-making.

3.4.2 Sustainability Impact Assessment

The development of "Sustainability Impact Assessment" was first initiated by the European Union in 1999 to assess the sustainable development impacts of proposed WTO measures at that time. The approach is a more broadly defined environmental assessment which integrates a review of social and development impacts. It undertakes a basic screening procedure to identify potential multilateral trade agreements or measures that are in conflict with environmental, developmental and social objectives, and proposes mitigating and enhancing measures to promote sustainable development. (Abaza and Hamway, 2001) Critics have, however, suggested that this tool has a pro-trade liberalisation bias which limits consideration of alternative scenarios to free trade (Richardson, 2000).

The SIA has four stages:- screening and scoping; Impact Assessment; Assessment of alternative mitigation and enhancing measures; and monitoring and post-evaluation. Two negotiation scenarios are considered;- a 'base" scenario representing full implementation of existing agreements and a 'further liberalisation' scenario which represents the strongest probable implementation of trade liberalisation measures. The sustainability indicators and impact matrices are based upon nine core indicators with two core indicators of sustainable development processes:-

* Economic: real income, fixed capital formation, employment;
* Social: poverty, health and education, equity;
* Environmental: biodiversity, environmental quality, natural resource stocks; and
* Process: consistency with sustainable development principles, institutional capacities. (DG Trade, 2003)

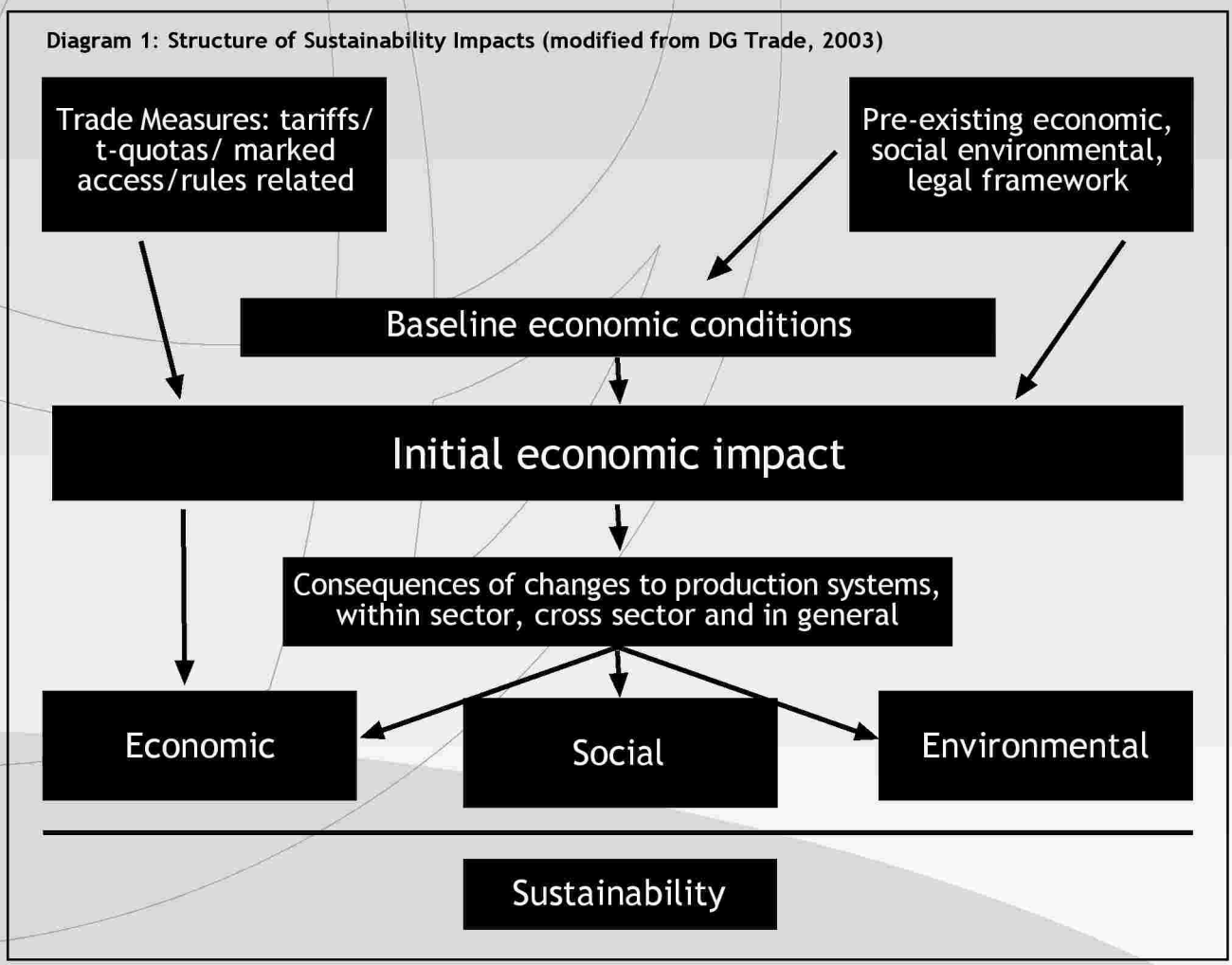
Significance is defined through three levels:-

* Non-significant impact - compared with the base situation;
* Lesser significant impact - marginally significant to the negotiation decision, and if negative, a potential candidate for mitigation; and
* Greater significant impact - significant to the negotiation decision, and if negative, merits serious consideration for mitigation. (DG Trade, 2003)

When evaluating significance, the approach also requires the following to be taken into account:-
The extent of existing economic, social and environmental stress, in affected areas;
The direction of changes to base-line conditions
The nature, order of magnitude, geographic extent and reversibility/duration of changes; and
The regulatory and institutional capacity to implement monitoring and evaluation measures. (DG Trade, 2003)

Sustainability Impact Assessment has been slow to develop outside of the EU. Reluctance on the part of the developing world (due mainly to fear that SIA may represent an attempt by the EU to justify and institutionalise already established policies and raise no-tariff barriers to developing countries) and the rigidity of WTO's decision-making structures have slowed efforts to advance SIA more widely. (Zerbe and Dedeurwaerdere, 2003)

Diagram 1: Structure of Sustainability Impacts (modified from DG Trade, 2003)



3.4.3 Strategic Environmental Assessment

Strategic Environmental Assessment (SEA) is generally defined to be a process for identifying and assessing the environmental consequences resulting from implementing policies, plans and programmes. (UNEP, 1996) It has also been defined as a process of integrating the concept of sustainability into strategic decision-making (DEAT, 2000:9). SEA is therefore a useful tool to carry out an environmental assessment of a trade policy or agreement and/ or to integrate the principles of sustainability into the formulation of trade policy. The SEA focus is "higher" than that of an Environmental Impact Assessment (which tends to be project specific), but not as broad as Sustainability Impact Assessment.

3.4.4. Strategic Integrated Assessment of Trade (SIAT)

SIAT is a tool to screen and evaluate international trade policies against environmental, social and economic sustainable development criteria. To be effective, the tool must accommodate the limited availability of baseline information on environmental, social and economic aspects, and must integrate forecast modelling, valuation techniques and cost benefit analysis. (Abaza & Hamway, 2001)

Box 6 Summarised Explanations of Selected Available Concepts and Methodologies

(These will often be used as part of a suite of tools in one of the above mentioned Assessment types)

Cost benefit Analysis
Widely used, simple tool where the costs and benefits of the action are compared, and if the benefits outweigh the costs, the action is deemed desirable.
Change in Productivity Analysis
Production levels are related to varying levels of input with one of the inputs relating to the environment (e.g. tonnes of soil loss and tons of biochemical oxygen demand.). Changes of input are related to outputs and productivity levels can be measured.
Contingent Valuation Methodology
The methodology, also a form of market research, asks respondents how much they are willing to pay for an improvement in the environment or the avoidance of an environmental deterioration.
Ex ante Integrated Assessment
An assessment that is undertaken prior to the negotiation of a trade liberalisation agreement or decision to adopt a trade related policy.
Extended Domestic Resource Cost Analysis (EDRC)
The analysis provides a measure of the effects of economic policy distortion in the domestic sector and also looks at the environmental impacts that occur in the production and exchange of goods and services.
Ex post Integrated Assessment
This is an assessment that is undertaken after the implementation of a trade liberalisation agreement or a trade-related policy.
Hedonic Pricing Approach
This approach works on the principle that the value of property reflects its characteristics, one of which is an environmental attribute such as air quality, noise, distance from a landfill site.
Integrated Environmental and Economic Accounting
This is the process of accounting for stocks and flows of environmental resources, i.e. accounting for the depletion and degradation of natural resources in order to reflect the actual cost resulting from economic activities.
Input-Output Models
These focus on how industries trade with each other, how this affects total demand for labour and capital, showing the flows of goods and services within an economy and the connection between the producers and consumers.
Life Cycle Assessment
Well known technique which examines the full "life cycle" of a product or service. (See IEM Information Series 9 – Life Cycle Assessment)
Multicriteria Analysis Methods (MCA)
Trade policymakers need to understand how different policies might affect different stakeholder agendas. Multicriteria analysis methods built into quantitative models can be used to estimate the extent to which a particular trade policy or set of policies will satisfy economic, social and environmental objectives. The analyses can be run using different policy mixes to understand what trade offs may be needed to satisfy the overall mix of various stakeholders.
Partial Equilibrium Models
Partial equilibrium models are used to assess the effects of policy actions in the markets which are directly affected.
"Pressure-State-Response" Model
This is a conceptual model used to help identify environmental indicators. Using simple "cause and effect" thinking, it looks at identifiable pressures on environmental resources and develops measures from the responses, e.g. over-fishing results in a decline in fish stocks which results in a social response such as a fishing moratorium.

(Adapted from United Nations, 2001)

3.5 The practicalities of environmental assessment of trade-related agreements and policies

This section will discuss some of the practicalities concerning the environmental assessment of trade-related agreements and policies in terms of the following:
* prioritising environmental assessment;
* information and availability flows;
* data accuracy;
* auditing and review and
* decision-making.

3.5.1 Priorities

The first practicality relating to environmental assessment is whether or not the process is seen as a priority. A review of the little available literature and discussions with officials suggest that it is not viewed as a priority. That seems to have been the case, even during the focus given to trade and environment at the World Summit of Sustainable Development (WSSD), held in Johannesburg in August/September 2002.

3.5.2 Information availability and flows

The shortage of relevant available data in South Africa with which to conduct the environmental assessments is a significant problem. This problem has also been noted in the work being done on SIAs (DG Trade, 2003)

3.5.3 Data accuracy

Linked to the problem of data availability is the additional problem of data accuracy. Shortages of appropriately

skilled professionals mean that environmental data is often collected by staff who are not necessarily trained in the data collection or who may be collecting the information for other reasons which may require differing levels of skill and accuracy in management.

3.5.4 Auditing and review

If environmental assessment of trade agreements is initiated in South Africa, it will be crucial that audits are carried out to assess the effectiveness of the assessments, the assumptions made and whether or not their inputs made any difference, or had any influence upon, the results of the trade negotiations. Any initiative to commence environmental assessments on trade agreements and/or policies, also needs to include, from the beginning, plans and provisions for audit and review. This is to ensure that the costs of assessment can be balanced against the benefits of such assessment to the decision- making and negotiation process.

3.5.5 Decision-making

The fragmentation of environmental management in South Africa has been widely documented in the past and this fragmentation has often led to environmental information not being fully integrated into decision-making. It has already been indicated above that environment appears to have a low priority in the decision making associated with trade.

4. CONCLUSIONS AND CHALLENGES

Although environmental assessments of trade policies and agreements are being undertaken internationally, it would seem clear that the future for South Africa lies in paralleling sustainability impact assessments with the growing trends of sustainability and corporate responsibility reporting and sustainable development initiatives in the private sector. The social responsibility components of business are receiving much more emphasis in business decision- making and if the policy shifts to poverty alleviation are to be given greater focus, then the assessments will need to reflect this.

The perceived reluctance of the WTO to take sustainable development and environmental issues to heart and develop strategies is worrisome for the developing world. It would appear that the efforts that are being developed through regional initiatives (with and without the sanction and support of the WTO) could ultimately be used as non-trade barriers against the developing countries. The failure of recent WTO trade negotiations to reach agreement on means of assisting developing nations is one of the manifestations of this. The research work done by Busse (2004) would serve to reinforce the WTO's position that free trade should be allowed with no restrictions (see paragraph 2.2. above). One of Busse's concluding comments is reproduced below.

"…the case for environmental standards within the WTO framework is relatively weak, considering that no clear evidence has been found that national governments chose sub-optimal policies that result in insufficient regulations or a "race to the bottom" on regulations…" Busse, 2004

5. THE WAY FORWARD

South Africa, as a result of democratisation and subsequent re-acceptance into the "global village", has been pitched headlong into the mêlée of global trade and development. Part of that inclusion requires input and decision-making involving agreements, conventions, and accords with many other countries. The decisions that are made in these negotiations have wide-reaching consequences and careful and studied thought and investigation must be put into the options and consequences of these potential courses of action. A clearer path will emerge once the Department of Trade and Industry is able to strengthen its environmental capacity and the Department of Environmental Affairs & Tourism strengthens its trade capacity. Similarly, benefit will be gained once the Parliamentary Portfolio Committees on Trade and Industry include members with environmental and trade expertise, respectively.

5.1 Formal Trade Policies

The current weaknesses in internal discussions on trade policies in South Africa need to be strengthened and included in the formal data gathering and consultation processes with be the requirement for environmental assessment of policy options. This will surely form a part of the various discussion papers, green and white papers that will begin to flow from negotiations and investigations at various levels.

5.2 Negotiating Positions

The current divide between North and South on supportive options that will uplift the abilities of countries from the south to compete fairly and equally with their counterparts from the North means that any negotiations at the WTO between the various parties must be clearly supported by carefully thought through negotiating positions. Those positions will need to be developed based on priorities developed through consensus developed from negotiations between political leaders, public and private sectors and Civil Society.

5.3 National Trade Policy Process

Environmental assessment will need to form one part of the complex process of developing an inclusive national trade policy process which will need to accommodate the many other policy processes with which it will overlap. These other policy processes include NEPAD, the Millennium Goals, the Johannesburg Plan of Implementation (WSSD), and HIV/AIDS .

5.4 Dialogue on Trade

Greater public dialogue on trade and its various facets and concerns (including social and environmental matter) is needed to develop national policies that are more inclusive and embracing of the various stakeholder perspectives within the country. Existing legislation and policy on sustainable development demands that stakeholder participation is increased to be more compliant.

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Information on the Canadian Government's approach to environmental assessment of trade negotiations, policies and agreements, including the associated public participation process, reference documents, on-going environmental assessments and progress reports, can be found at:-
http://www.dfait-maeci.gc.ca/tna-nac/env/env-ea-en.asp

European Union Sustainability Impact Assessment Project
Much of the work on developing and implementing the EU's SIA programme is being undertaken through the University of Manchester's Institute for Development Policy and Management. Their various reports and links to other sites can be found at:-
http://idpm.man.ac.uk/sia-trade

Fair Trade Resources Network
A network of organisations that seek to promote principles of Fair Trade through raised consumer awareness.
http://www.fairtraderesource.org/about.html

Globalisation Guide
This useful site tries to answer many of the questions surrounding globalisation and provides links to other sites for differing views and opinions.
http://www.globalisationguide.org

Greenpeace – Trade and the Environment
This is Greenpeace's campaign website on trade and the environment and includes views on the WTO.
http://www.greenpeace.org/international_en/campaigns/intro?campaign_id=4003

Make Trade Fair
A campaign initiated by Oxfam to promote principles of Fair Trade and raise awareness internationally. http://wwwmaketradefair.com

North American Commission for Environmental Cooperation
This body undertakes environmental assessments of NAFTA and its activities. There are useful publications and case studies that can be downloaded from the site.
http://www.cec.org/pubs_info_resources/publications/enviro_trade_econ/eandt6.cfm?

World Trade Organisation (WTO)
This website provides detailed information on the WTO and how it functions.
http://www.wto.org/wto/about/about.htm

7. GLOSSARY

Definitions

Affected Environment
Those parts of the socio-economic and biophysical environment impacted on by the development.

Affected Public
Groups, organizations, and/or individuals who believe that an action might affect them.

Alternative proposal
A possible course of action, in place of another, that would meet the same purpose and need. Alternative proposals can refer to any of the following but are not necessarily limited thereto:
* alternative sites for development
* alternative projects for a particular site
* alternative site layouts
* alternative designs
* alternative processes
* alternative materials

In IEM the so-called "no-go" alternative also requires investigation.

Authorities
The national, provincial or local authorities, which have a decision-making role or interest in the proposal or activity. The term includes the lead authority as well as other authorities.

Baseline
Conditions that currently exist. Also called "existing conditions."

Baseline Information
Information derived from data which:
* Records the existing elements and trends in the environment; and
* Records the characteristics of a given project proposal

Corporate Governance
Ensuring that a company is governed in a way that is efficient, responsible, accountable, transparent and with probity. (King Committee on Corporate Governance, 2001)

Corporate Social Responsibility
The continuing social responsibility by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. (Watts & Holm, 1999)

Decision-maker
The person(s) entrusted with the responsibility for allocating resources or granting approval to a proposal.

Decision-making
The sequence of steps, actions or procedures that result in decisions, at any stage of a proposal.

Environment
The surroundings within which humans exist and that are made up of -
i. the land, water and atmosphere of the earth;
ii. micro-organisms, plant and animal life;
iii. any part or combination of (i) and (ii) and the interrelationships among and between them; and
iv. the physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence human health and well-being. This includes the economic, cultural, historical, and political circumstances, conditions and objects that affect the existence and development of an individual, organism or group.

Environmental Assessment (EA)
The generic term for all forms of environmental assessment for projects, plans, programmes or policies. This includes methods/tools such as EIA, strategic environmental assessment, sustainability assessment and risk assessment.

Environmental consultant
Individuals or firms who act in an independent and unbiased manner to provide information for decision-making.

Environmental Impact Assessment (EIA)
A public process, which is used to identify, predict and assess the potential environmental impacts of a proposed project on the environment. The EIA is used to inform decision-making.

Fatal flaw
Any problem, issue or conflict (real or perceived) that could result in proposals being rejected or stopped.

FTSE 100
The FTSE 100 (FTSE is the name of an index company) is an index containing the largest 100 companies (by market capitalisation)listed on the London Stock Exchange. The Index measures rise and fall in share trading.

Impact
The positive or negative effects on human well-being and/or on the environment.

Integrated Environmental Management (IEM)
A philosophy which prescribes a code of practice for ensuring that environmental considerations are fully integrated into all stages of the development and decision-making process. The IEM philosophy (and principles) is interpreted as applying to the planning, assessment, implementation and management of any proposal (project, plan, programme or policy) or activity - at the local, national and international level - that has a potentially significant effect on the environment. Implementation of this philosophy relies on the selection and application of appropriate tools to a particular proposal or activity. These may include environmental assessment tools (such as Strategic Environmental Assessment and Risk Assessment); environmental management tools (such as monitoring, auditing and reporting) and decision-making tools (such as multi-criteria decision-support systems or advisory councils).

Integrated Environmental Management (IEM)
The part of the overall management system that includes organisational structure, planning activities, responsibilities, practices, procedures, processes, and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy. (SABS ISO 14001: 1996)

Interested and affected parties (I&APs)
Individuals, communities or groups, other than the proponent or the authorities, whose interests may be positively or negatively affected by a proposal or activity and/or who are concerned with a proposal or activity and its consequences. These may include local communities, investors, business associations, trade unions, customers, consumers and environmental interest groups. The principle that environmental consultants and stakeholder engagement practitioners should be independent and unbiased excludes these groups from being considered stakeholders.

Lead authority
The environmental authority at the national, provincial or local level entrusted in terms of legislation, with the responsibility for granting approval to a proposal or allocating resources and for directing or coordinating the assessment of a proposal that affects a number of authorities.

Mitigate
The implementation of practical measures to reduce adverse impacts.

Non-governmental organizations (NGOs)
Voluntary environmental, social, labour or community organisations, charities or pressure groups.

Proponent
Any individual, government department, authority, industry or association proposing an activity (e.g. project, programme or policy).

Proposal
The development of a project, plan, programme or policy. Proposals can refer to new initiatives or extensions and revisions to existing ones.

Public
Ordinary citizens who have diverse cultural, educational, political and socio-economic characteristics. The public is not a homogeneous and unified group of people with a set of agreed common interests and aims. There is no single public. There are a number of publics, some of whom may emerge at any time during the process depending on their particular concerns and the issues involved.

Role-players
The stakeholders who play a role in the environmental decision-making process. This role is determined by the level of engagement and the objectives set at the outset of the process.

Scoping
The process of determining the spatial and temporal boundaries (i.e. extent) and key issues to be addressed in an environmental assessment. The main purpose of scoping is to focus the environmental assessment on a manageable number of important questions. Scoping should also ensure that only significant issues and reasonable alternatives are examined.

Screening
A decision-making process to determine whether or not a development proposal requires environmental assessment, and if so, what level of assessment is appropriate. Screening is initiated during the early stages of the development of a proposal.

Significant/significance
Significance can be differentiated into impact magnitude and impact significance. Impact magnitude is the measurable change (i.e. intensity, duration and likelihood). Impact significance is the value placed on the change by different affected parties (i.e. level of significance and acceptability). It is an anthropocentric concept, which makes use of value judgements and science-based criteria (i.e. biophysical, social and economic). Such judgement reflects the political reality of impact assessment in which significance is translated into public acceptability of impacts.

Stakeholders
A sub-group of the public whose interests may be positively or negatively affected by a proposal or activity and/or who are concerned with a proposal or activity and its consequences. The term therefore includes the proponent, authorities (both the lead authority and other authorities) and all interested and affected parties (I&APs). The principle that environmental consultants and stakeholder engagement practitioners should be independent and unbiased excludes these groups from being considered stakeholders.

Stakeholder engagement
The process of engagement between stakeholders (the proponent, authorities and I&APs) during the planning, assessment, implementation and/or management of proposals or activities. The level of stakeholder engagement varies depending on the nature of the proposal or activity as well as the level of commitment by stakeholders to the process. Stakeholder engagement can therefore be described by a spectrum or continuum of increasing levels of engagement in the decisionmaking process. The term is considered to be more appropriate than the term "public participation".

Stakeholder engagement practitioner
Individuals or firms whose role it is to act as independent, objective facilitators, mediators, conciliators or arbitrators in the stakeholder engagement process. The principle of independence and objectivity excludes stakeholder engagement practitioners from being considered stakeholders.

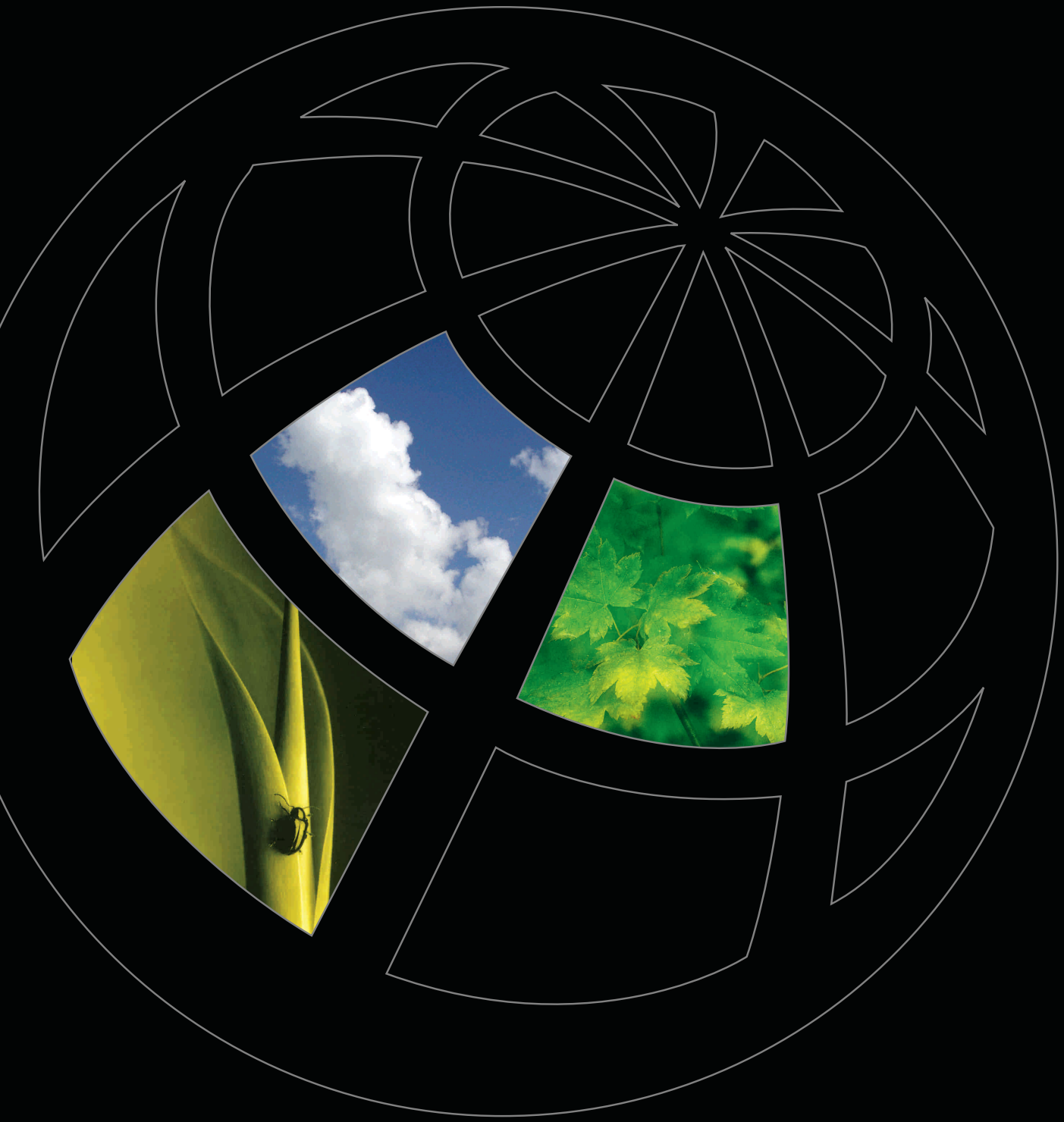
Trade Liberalisation
Trade liberalisation is the process of relaxing trade barriers to allow for free trade.

Trade Rules
Trade rules are rules that are generally developed through the efforts of the WTO and dictate how countries may trade internationally.

Trade measures
Trade measures are a range of actions that can be implemented to create a balance for fair trade globally. These may range from subsidies, and duties, up to more radical options such as bans.
Transparency
An approach of openness in fully explaining the reasons for any decision or course of action adopted by a company. (King Committee on Corporate Governance, 2001)

ABBREVIATIONS

CTD –	Committee on Trade and Development
CTE –	Committee on Trade and Environment
EA –	Environmental Assessment
EC –	European Commission
EU –	European Union
GATT -	General Agreement on Tariffs and Trade
GMO –	genetically modified organisms
ISO –	International Organisation for Standardardization
MEA –	Multilateral Environmental Agreement
Mercosur –	Mercado Com_n del Sur (Southern Common Market: Argentina, Brazil, Paraguay, and Uruguay)
MFN –	Most Favoured Nation
NECEC -	North American Commission for Environmental Cooperation
NAFTA -	North American Free Trade Agreement
NEMA –	National Environmental Management Act, No 107 of 1998
NEPAD –	New Partnership for Africa's Development
NGO –	Non-Governmental Organisation
OECD –	Organisation for Economic Co-operation and Development
PIC –	Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
POPs –	Convention on the Control of Persistent Organic Pollutants
SACU –	Southern African Customs Union
SADC -	Southern African Development Community
SADC-COMESA -	Southern African Development Community-Common Market for Eastern & Southern Africa
SA-EU –	South Africa-European Union
SEA –	Strategic Environmental Assessment
SIA –	Sustainability Impact Assessment
SIAT -	Strategic Integrated Assessment of Trade
SMMEs -	small-, medium- and mico-enterprises
TDCA -	Trade, Development and Co-operation Agreement
TRIPS –	Trade-Related Aspects of Intellectual Property Rights
UNEP –	United Nations Environment Programme
WSSD -	World Summit of Sustainable Development
WWF –	Worldwide Fund for Nature
WTO –	World Trade Organisation



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