

Sustainable Development, Environmental Protection, and Trade

*A Survey of U.S. Government International
Environmental Capacity Building Activities*

November 1999

Prepared by the U.S. Agency for International Development
for the Third World Trade Organization Ministerial

President Clinton and Vice President Gore: Expanding Trade and Ensuring a Healthy Environment

November 16, 1999

IN preparation for the 1999 World Trade Organization (WTO) Summit in Seattle, President Bill Clinton and Vice President Al Gore today outlined a strategy to ensure that U.S. and international efforts to expand trade are consistent with a high level of environmental protection worldwide and serve the broader goal of sustainable development. In his State of the Union Address earlier this year, the President urged creation of a new American consensus on trade, built in part on an effort to “level up” environmental protections as international trade and investment rules are liberalized. The policy initiatives announced today will help further this goal by systematically integrating environmental considerations into the development of U.S. trade policy; staking out U.S. policy positions on key environmental issues before the WTO; and supporting complementary steps to improve international environmental practices and standards, including the provision of technical and financial assistance to help developing countries design and implement strong domestic environmental protections.

The U.S. and the WTO: Putting a Human Face on the Global Economy. As part of his agenda for the new round of global trade negotiations set to be launched in Seattle, Washington, later this month, the President has proposed broadening participation in the benefits of trade among and within nations in part by addressing key environmental and labor concerns. Today, the President elaborated on the environmental aspects of his appeal for a human face to be put on the global economy by:

- 1. Signing an Executive Order to Require Environmental Reviews of Proposed Trade Agreements.** The President today signed an Executive Order requiring careful assessment and consideration of the environmental impacts of trade agreements, including through detailed written reviews of major, environmentally significant trade agreements. The Executive Order for the first time formally institutionalizes procedures to ensure the timely consideration of environmental issues in the development of U.S. positions for trade negotiations. It represents a major development in the effort to integrate and balance the twin U.S. objectives of promoting economic growth through expanded trade and sustainable development through strong domestic environmental protections. Specifically, the Executive Order:
 - Requires written environmental reviews of comprehensive multilateral trade rounds; bilateral or plurilateral trade agreements; major trade liberalization agreements in natural resource sectors; and other agreements that may have significant, reasonably foreseeable environmental effects.
 - Requires that reviews be undertaken early enough in the process to help shape negotiating positions.
 - Requires public notice when a review begins, opportunity for input from outside experts and the public, and public release of the findings.
 - Requires that reviews focus primarily on environmental impacts in the United States and, as appropriate, also examine international and global impacts.
 - Directs the United States Trade Representative and Chair of the White House Council on Environmental Quality to oversee implementation of the Order in consultation with economic, environmental, and foreign policy agencies.
- 2. Issuing a White House Declaration of Environmental Trade Policy Principles to Guide U.S. Negotiators and Ensure that the Work of the WTO Is Supportive of Sustainable Development.** The WTO Charter explicitly recognizes sustainable development as a fundamental goal. The President today issued a White House Policy Declaration on Environment and Trade outlining a set of principles to guide U.S. negotiators’ efforts to ensure that the WTO fulfills this part of its mission. In particular, the Policy Declaration pledges the United States to pursue trade liberalization in the new round of trade negotiations in a manner that is supportive of our commitment to high levels of protection for the environment by:
 - Promoting reform of the WTO, notably its dispute settlement procedures to improve their transparency and openness to public participation.
 - Strengthening cooperation between the WTO and other international organizations, particularly the United Nations Environment Programme, with respect to environmental matters.

- Identifying and pursuing “win-win” opportunities where opening markets and reducing or eliminating trade distortions can yield direct environmental benefits, such as by reducing fish and agricultural subsidies.
- Stating the U.S. view that the WTO broadly accommodates trade measures included in multilateral environmental agreements when they are carefully tailored and appropriately applied, such as in the Convention on International Trade in Endangered Species and the Montreal Protocol with respect to ozone-depleting chemicals.
- Ensuring that trade rules are supportive of and do not undermine our ability to maintain and enforce fully our environmental laws by staking out U.S. positions on such issues as the WTO’s deference to national regulatory authorities, WTO member rights to determine whether to accept another member’s regulations as equivalent to its own, and trade measures based on Processes and Production Methods (PPMs) Eco-labeling and Precaution.
- Ensuring the appropriate inclusion on U.S. trade negotiation teams of environmental, health and safety officials, and encouraging our trading partners to do likewise.
- Taking fully into account environmental implications throughout the course of the negotiations, including by performing a written environmental review of the new WTO round.

3. Promoting Improved Environmental Practices in Developing Countries through Technical Assistance to Strengthen Their Environmental Institutions. The Administration today released a survey of U.S. Government environmental capacity building efforts in developing countries, underscoring its commitment to the pursuit of sustainable development and high levels of global environmental protection, including through means extending beyond trade policy. The United States is working actively to ensure that developing countries have the capacity to address environmental management issues as they integrate into the world economy. We believe the absence of environmental regulatory and management capacity can undermine long-term economic development and threaten ecological systems essential to sustainable development, thereby limiting the contribution to broad living standards from expanded trade and economic growth. U.S. capacity building activities involve several agencies, including the U.S. Agency for International Development, the U.S. Department of Agriculture, the U.S. Environmental Protection Agency, the U.S. Department of State, the U.S. Department of Justice, the U.S. Department of the Interior, the National Oceanic and Atmospheric Administration, and the U.S. Department of Energy. These activities fall into three broad categories:

- a. Promoting integrated policies in developing countries to protect the environment while raising social and economic standards:
 - Integrating economic, social, and environmental objectives into a mutually supportive policy framework.
 - Strengthening legal, regulatory, and judicial policies and procedures as they relate to environmental management.
- b. Promoting environmentally sustainable international trade and investment liberalization:
 - Building institutional capacity in natural resources management and conservation.
 - Enhancing the ability of countries to understand, participate in, and implement the provisions of international institutional frameworks, such as multilateral environmental arrangements and international trade agreements.
 - Improving the environmental performance of international financial institutions and export credit agencies.
- c. Assessing and addressing environmental impacts of trade and investment liberalization:
 - Enhancing stakeholder understanding of and participation in the identification and resolution of trade, investment, and environmental conflicts.
 - Promoting transparent and open decision-making processes and the strengthening of the capacity of all segments of civil society to participate in a meaningful way in decisions that affect their lives.

4. Providing International Leadership on the Environment. Americans today enjoy the strongest economy and cleanest environment in a generation, and the Clinton Administration is working with the international community to promote the same objectives around the globe. The United States has played a critical role in international efforts – through multilateral environmental treaties and other means – to protect endangered species, phase out highly toxic chemicals, restore fisheries, and address global warming. In addition, the United States has applied the highest environmental standards to its overseas lending and development assistance; promoted similar efforts at the World Bank and other multilateral institutions; and led efforts to build environmental safeguards into trade pacts, such as the North American Free Trade Agreement.

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For further information on specific USG activities, please contact the USAID Global Environment Center at e-mail tradeandenvironment@usaid.gov.

Executive Summary

AT the third World Trade Organization (WTO) Ministerial, ministers from more than 140 countries will meet to set the agenda for a new “round” of global trade negotiations. The WTO Charter and the WTO 1999 *Trade and Environment Special Study* make it clear that economic growth must be pursued in the broader context of sustainable development that integrates economic, social, and environmental policies.

Many developing countries find it difficult to comply with international obligations and capitalize on commercial and technological opportunities with respect to the environment because their public institutions lack the necessary expertise and resources. The lack of adequate environmental regulatory and management capacity can reduce the extent to which their citizens participate in the benefits of expanded trade and economic development by aggravating threats to ecological systems essential to sustainable development.

Trade and investment liberalization will provide maximum benefit when it is operating within a sound supporting domestic policy framework and pursued in tandem with environmental protection. Since financial and environmental problems have common roots in policy, market, and governance failures, it is critical to invest in building developing country capacity to address these failures. For developing countries to effectively address these linkages and participate in liberalized trade and investment discussions, there is a need for strengthening the analytical, policy, and institutional capacities within such countries with respect to trade, investment, and the environment.

Because of its fundamental commitment to sustainable development, the U.S. Government (USG) is as equally committed to the protection of the environment and environmental capacity building as it is to trade and investment liberalization.

Although developing countries ultimately are responsible for their own sustainable development, it is in the United States’ interest to continue supporting capacity building efforts that specifically address environmental issues associated with trade and investment liberalization as well as efforts to strengthen underlying legal and regulatory systems. The USG actively undertakes capacity building efforts in the following three broad areas related to environmental protection:

1. Promoting integrated policies in developing countries to protect the environment while raising social and economic standards:
 - Integrating sustainable development policies
 - Developing, implementing, and enforcing the rule of law
 - Formulating strong environmental policies and legal frameworks
2. Promoting environmentally sustainable international trade and investment liberalization:
 - Building institutional capability in natural resources management and conservation

- Negotiating and implementing multilateral and regional environmental agreements
 - Setting conditions and controlling environmental impact
 - Enhancing understanding of and participation in international institutional frameworks
 - Improving the environmental performance of international financial institutions and export credit agencies
3. Assessing and mitigating environmental impacts of trade and investment liberalization:
- Enhancing stakeholder understanding of and participation in the identification and resolution of trade, investment, and environmental conflicts

A common commitment in each of these areas is the promotion of transparent and open decision-making processes and the strengthening of the capacity of all segments of civil society to participate in an informed and meaningful way in decisions that affect their lives.

Acronyms and Abbreviations

APEC	Asia-Pacific Economic Cooperation
APHIS	Animal and Plant Health Inspection Service
CARICOM	Caribbean Community
CEC	NAFTA Commission for Environmental Cooperation
CICA	U.S.-Mexico Border Information Center on Air Pollution
CITES	Convention on Trade in Endangered and Threatened Species
CLDP	DOC Commercial Law Development Program
COMESA	Common Market for Eastern and Southern Africa
DEA	Drug Enforcement Administration
DOC	U.S. Department of Commerce
DOI	U.S. Department of the Interior
DOJ	U.S. Department of Justice
EBRD	European Bank for Reconstruction and Development
ECA	Export Credit Agency
EHP	USAID Environmental Health Project
EIA	Environmental Impact Assessment
ELP	USAID Environmental Law Program
ENRD	DOJ Environment and Natural Resources Division
EPA	U.S. Environmental Protection Agency
EPIQ	USAID Environmental Policy and Institutional Strengthening Indefinite Quantity Contract
EU	European Union
Ex-Im	Export-Import Bank of the United States
FAO	UN Food and Agriculture Organization
FBI	U.S. Federal Bureau of Investigation
FCCC	Framework Convention on Climate Change
FSIS	USDA's Food Safety Inspection Service
GEF	Global Environment Facility
GTN	USAID Global Technology Network
HACCP	Hazard Analysis and Critical Control Point
ICITAP	DOJ International Criminal Investigative Training Assistance Program
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IFI	International Financial Institution
IICA	Inter-American Institute for Cooperation on Agriculture
INS	Immigration and Naturalization Service
IPPC	International Plant Protection Convention
ISO	International Organization for Standardization
ITA	International Trade Administration
MDB	Multilateral Development Bank
MEA	Multilateral Environmental Agreement
NAFTA	North American Free Trade Agreement
NGO	Nongovernmental Organization
NMFS	NOAA National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
OAS	Organization of American States

OES	U.S. Department of State Bureau of Oceans and International Environmental and Scientific Affairs
OFDA	USAID Office of Foreign Disaster Assistance
OGP	NOAA's Office of Global Programs
OPDAT	DOJ Office of Overseas Prosecutorial Development, Assistance, and Training
OPIC	Overseas Private Investment Corporation
PIN	Pacific Island Network
POPs	Convention on Persistent Organic Pollutants
PROARCA	Proyecto Ambiental Regional Centroamericano
PRTRs	Pollutant Release and Transfer Registers
REC	Regional Environmental Center
SADC	Southern Africa Development Community
SPS	Sanitary and Phytosanitary measures
State	U.S. Department of State
TED	Turtle Excluder Device
TIPs	Technical Information Packages
Treasury	U.S. Department of the Treasury
UNEP	UN Environment Programme
US-AEP	United States-Asia Environmental Partnership
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USG	U.S. Government
WCD	World Commission on Dams
WSCU	SADC Water Sector Coordination Unit
WTO	World Trade Organization

USG Capacity Building Activities

THE United States Government (USG) provides technical assistance, training, and institutional development activities to developing countries worldwide in the policies, practices, and technologies needed to create “synergies” between trade and the environment. These capacity building efforts fall in three broad categories: (1) promoting integrated policies in developing countries to protect the environment while raising social and economic standards, (2) promoting environmentally sustainable international trade and investment liberalization, and (3) assessing and mitigating environmental impacts of trade and investment liberalization. Activities within the three categories fall into nine crosscutting areas. For the purposes of this document, each activity was placed below in only one of the nine areas:

Promoting integrated policies in developing countries to protect the environment while raising social and economic standards:

1. Integrating sustainable development policies
2. Developing, implementing, and enforcing the rule of law
3. Formulating strong environmental policies and legal frameworks

Promoting environmentally sustainable international trade and investment liberalization:

4. Building institutional capability in natural resources management and conservation
5. Negotiating and implementing multilateral and regional environmental agreements
6. Setting conditions and controlling environmental impact
7. Enhancing understanding of and participation in international institutional frameworks
8. Improving the environmental performance of international financial institutions and export credit agencies

Assessing and mitigating environmental impacts of trade and investment liberalization:

9. Enhancing stakeholder understanding of and participation in the identification and resolution of trade, investment, and environmental conflicts

Following is a discussion on the importance of each of the nine areas as well as a sampling of recent and ongoing USG activities.¹ For further information on specific USG activities, please contact the USAID Global Environment Center at e-mail tradeandenvironment@usaid.gov.

¹ This section is based on information from USG agencies and does not represent a comprehensive summary of USG activities. USAID actions alone represent an annual investment in excess of \$200M.

Promoting Integrated Policies in Developing Countries to Protect the Environment While Raising Social and Economic Standards

Integrating Sustainable Development Policies

Sustainable development requires the balancing of economic development, social considerations, and environmental protection. Economic, social, and environmental policies must be integrated to ensure that they are mutually beneficial and do not undermine one another.

U.S. Agency for International Development (USAID)

Central Asian Republics' Policy and Regulatory Reform Related to Water and Energy Resources. This activity promotes broad economic reform and sustainable water and energy resources management in the Central Asian Republics. Its major objective is to create policies and institutional environments that promote sustainable development and management of the region's resources and prevent worsening of a source of potential conflict. The activity provides technical assistance in developing, advocating, and implementing environmental and energy policy and regulatory reforms that will promote regional cooperation, reduce threats of political instability, foster sound and sustainable economic development, and establish a foundation for improving public health.

Caribbean Regional Strategy Development. This activity involves the preparation of a five- to eight-year environmental strategy for the Caribbean region (Caribbean Community [CARICOM] and associate CARICOM countries as well as Haiti and the Dominican Republic) that analyzes and prioritizes the region's environmental issues, including biological diversity conservation and ecosystem management, sustainable tourism, economic and social development and sustainable trade, and integrated water management.

Russia Far East Forestry. This activity promotes broad economic reform and sustainable natural resources management in Russia to create a favorable policy and institutional environment to strengthen market forces in Khabarovskiy Krai's forestry sector. This activity also promotes sustainable economic development through sound environmental management and use and enhances previous USAID efforts to package the developed forest policy reform model for replication in Russia.

Developing, Implementing, and Enforcing the Rule of Law

Countries cannot develop, implement, and enforce strong environmental policies without an underlying legal and judicial framework and experience. For example, a country cannot develop and prosecute an environmental crimes law without the experience of prosecuting more general criminal sanctions. Nor can the country hope to achieve its environmental goals without effective enforcement and fair, fully functioning judicial systems. In this way, the legal framework and rule of law structures are directly related to capacity building in the trade and environment arena.

U.S. Department of Justice (DOJ)

Foreign Justice Sector and Law Enforcement Training and Assistance Programs.

A number of DOJ components have active foreign justice sector and law enforcement training and assistance programs:

- DOJ is working with the U.S. Department of State and the Organization of American States (OAS) to establish a judicial studies center in Latin America that will allow scholarly research and analysis and provide training in criminal law.
- DOJ's law enforcement components, including the U.S. Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Immigration and Naturalization Service (INS), participate in a number of international law enforcement training programs, such as State's International Law Enforcement Academies in Hungary and Thailand, which train investigators and police officials.
- The Office of Overseas Prosecutorial Development, Assistance, and Training (OPDAT) assists foreign prosecutors and judicial personnel by providing technical assistance and training support in Africa, Central and Eastern Europe, Latin America and the Caribbean, and the New Independent States. OPDAT runs an international visitors program for foreign officials interested in the U.S. legal system, provides legislative reform advice on proposed criminal justice legislation, assists in reorganizing and improving host country prosecutors' offices, provides training courses and mentoring programs for prosecutors and judges, and offers administrative assistance to foreign justice ministries.
- The International Criminal Investigative Training Assistance Program (ICITAP) also provides technical assistance and training to emerging democracies to enhance the capabilities of their police and law enforcement agencies. ICITAP projects have been conducted in Latin America and the Caribbean, Central Europe, Africa, the Middle East, and the New Independent States.²

Formulating Strong Environmental Policies and Legal Frameworks

Trade and investment liberalization will not promote sustainable development if developing country governments are not fully versed in developing, implementing, and enforcing environmental regulatory policies, practices, and legal frameworks. When policymakers fail to address the environmental consequences of economic growth, serious environmental problems can result. Many developing countries require institutional strengthening in developing market-based approaches that include requisite regulations and standards, ensure enforcement and compliance, and involve stakeholders. The

² ICITAP's budget is totally based on project-specific funding by State and USAID.

purpose of these efforts is to achieve progressively higher levels of environmental protection.

DOJ

Environmental Protection Training and Institutional Development Activities. The Environment and Natural Resources Division (ENRD) provides environmental protection training and institutional development activities to developing countries. Relative to DOJ/ENRD's main legal work, participation is limited, occasional, and generally funded by other agencies. Additionally, many of these activities support capacity building efforts for enforcement of the Convention on Trade in Endangered and Threatened Species (CITES), the Montreal Protocol, and other multilateral environmental agreements referenced on page 20 in the section, "Enhancing Understanding of and Participation in International Institutional Frameworks." DOJ/ENRD has participated in the following activities:

- U.S. Environmental Protection Agency (EPA) programs in the Central American Network, where work with Central American countries is conducted to build their capacity to develop, strengthen, and enforce domestic environmental law.
- EPA programs to provide training courses on principles of environmental enforcement and compliance. DOJ/ENRD has helped deliver courses in South Africa, Guatemala, and Thailand.
- Training courses sponsored by the North American Free Trade Agreement (NAFTA) Commission for Environmental Cooperation (CEC) held with Mexican officials, particularly concerning illegal trade in birds.
- U.S. Department of the Interior (DOI) training programs on foreign law enforcement training. DOJ/ENRD recently participated in training of Asian officials in wildlife law enforcement.
- A USAID capacity building program on environmental law and enforcement in Madagascar.
- USAID programs to train African, Latin American, and Asian officials on environmental crime issues.
- Projects sponsored by international police organizations (e.g., Interpol) to train officials from developed and developing countries.

Overseas Private Investment Corporation (OPIC)

Assistance on Internationally Acceptable Environmental Protection Norms. OPIC is required by law to notify host governments of investments being considered for assistance that could affect the environment. All projects subject to this notification procedure concern an applicant's investment in the construction and/or operation of a particular project. OPIC is also required to provide the host country government with information about standards and guidelines applicable to such

investments that have been developed by international organizations or by federal environmental regulatory authorities of the United States. These standards and guidelines generally are the applicable standards and guidelines developed by the World Bank and the EPA.

All projects that receive OPIC support are also subject to the environmental and health and safety laws of the host country. Through this notification process, OPIC provides host country governments with valuable information on the normative standards that the USG and multilateral development institutions would apply in executing the development project. This process increases the familiarity of developing country governments with internationally acceptable norms for protecting their environments.

USAID

Environmental Law Program (ELP). This activity provides environmental legal and policy support that promotes sustainable development and the rule of law in countries where USAID is active. Since developing countries each have unique and diverse environmental protection needs, ELP focuses on the specific issues USAID client countries identify. Program areas include sustainable urbanization, biodiversity and natural resources management, trade and economic growth, clean production policy, environmental impact assessment (EIA), and democracy and environmental governance. ELP trains local specialists in the design and implementation of a wide variety of legal and regulatory policy activities. Specific activities include:

- Contributing to the development of a plan of action for establishing a “Hemispheric Network of Experts and Officials in Environmental Law, Enforcement, and Compliance”
- Conducting a workshop on environmental policy in the Americas — combining the use of economic incentives and legal enforcement
- Developing a model program for Internet access to national and international environmental laws and standards between Central and South America

The Environmental Health Project (EHP). Under this project, USAID developed a system for monitoring and evaluating the health impacts of gasoline lead phase-out.

Egypt Environmental Sector Assessment. Under this activity, sector assessments provide the basis for understanding regulatory, policy, and institutional constraints to improved management and protection of Egypt’s environment.

Egypt Policy Management Group. This activity consists of technical assistance to the Egyptian Environmental Policy Program in the development of environmental laws.

U.S. Environmental Protection Agency (EPA)

International Lead Phase-Out Program. EPA works with both governments and industries to commit to phasing out leaded gasoline, reducing non-gasoline sources of lead, and providing workers with safety training sessions. Countries and regions include China, India, Argentina, Brazil, Guatemala, Eastern Europe, Russia, and the Urals.

Proyecto Ambiental Regional Centroamericano (PROARCA). This activity, managed by USAID's Central America Regional Office in Guatemala City, supports the Central America Commission on Environment and Development with the development of a regional model for sustainable development. EPA has entered into a four-year cooperative agreement with USAID to provide technical assistance to strengthen legislative and regulatory regimes, one of PROARCA's three goals. The other two are protecting biodiversity and improving coastal zone management.

Internet Access for Chemical Management Officials. With USAID Africa Bureau funding, EPA is conducting a pilot project in two African countries to provide Internet access to chemical management officials in developing countries. The project includes training on how to access chemical safety information on the Internet and how to reach counterparts in the Intergovernmental Forum on Chemical Safety by e-mail. Together with the UN Environment Programme, EPA hopes to expand this effort to a global program, given sufficient funding.

Promoting Environmentally Sustainable International Trade and Investment Liberalization

Building Institutional Capability in Natural Resources Management and Conservation

Sustainable management of natural resources depends on striking a balance between the preservation and renewal of resources and their use for economic well-being. Developing country governments, institutions, and communities need access to the latest policies, practices, and technologies to promote the sustainable management of natural resources, providing the foundation for sustainable national economic development.

USAID

Environmental Policy and Institutional Strengthening Indefinite Quantity Contract (EPIQ). This contract builds the capacity of developing and transition countries in environmental protection. In Indonesia, for example, EPIQ supports the natural resources management secretariat and activities relating to improved forest resources and protected areas management. In Egypt, EPIQ is working to improve the nation's Nile River water distribution system efficiency through improved water allocation, including integrated water policy and institutional reforms.

Biodiversity Conservation Network. This USAID-supported program works in the Asia/Pacific Region to promote community-based conservation through community-based enterprises directly depending on biodiversity.

Sri Lanka Natural Resources and Environmental Policy Project. This project promotes environmental and natural resources management by providing services in environmental policy development, environmental institution strengthening in EIAs, pollution control and regulation, and project coordination.

Parks in Peril Program. In partnership with the Nature Conservancy, USAID supports the Parks in Peril Program to strengthen the management of national parks and protected areas throughout Latin America.

U.S. Department of Agriculture (USDA)/Forest Service

Forestry Training. The Forest Service and the South Pacific Forestry Development Program will collaborate in forestry-related work in the Pacific Islands that will include a series of watershed management and agroforestry workshops and technical assistance.

Fire Management. The Forest Service cooperates with Brazil, Russia, Mexico, and Indonesia to better understand the influence of fire on forest management and climate change and to incorporate fire mitigation strategies into forest management systems.

Remote Sensing. The Forest Service has developed international efforts to integrate remote sensing and field technologies to monitor the health and status of forests and to apply these technologies to specific management issues. It is based on existing cooperation with a number of countries, including Indonesia, Brazil, Mexico, and Russia. The objective is to develop more effective monitoring approaches using integrated, cost-effective technologies applicable to a range of forest types as well as address such issues as illegal logging, concessionaire performance, forest regeneration, carbon sequestration, fire impact, and indices of forest health.

Forest Health/Invasive Species. Building on existing activities in Russia, China, South America, and elsewhere, the Forest Service focuses on methods to prevent, control, or mitigate the damage of existing and potential forest pests and pathogens. Emphasis is placed on control of invasive species through biological control and habitat management measures.

Habitat Management/Biodiversity Conservation. The Forest Service also applies its scientific and land management expertise to habitat management, ecosystem restoration, and biodiversity conservation, particularly for migratory species. Activities include the restoration of degraded forest systems, particularly riparian areas; development of “migration strategies” to maintain biodiversity and other environmental benefits in managed forests; and conservation education and training. Forest Service scientists also work to ensure endangered species are protected in multiple-use ecosystems by assessing the impact of a wide range of management practices and developing habitat restoration programs.

Technical Assistance and Training Services. The mission of USDA's Foreign Agriculture Service International Cooperation and Development Program is to provide technical assistance, training, and data/information services to cooperating countries and institutions to achieve sustainable agricultural production, mutual economic development, conservation of natural resources, and environmental services.

- Working with USAID, International Financial Institutions (IFIs), the UN Food and Agriculture Organization (FAO), the Inter-American Institute for Cooperation on Agriculture (IICA), other international organizations and agencies, and host country governments to assist in the design and implementation of development activities and programs in food, agriculture, natural resources, forestry, and the environment
- Developing integrated approaches to production, marketing, soil, water, and forest management policies and programs using a variety of USDA professional and data/information resources to address capacity building in food, agricultural, economic, and trade policy as well as environmental protection in cooperating countries
- Providing grants and research for technical exchange programs for U.S. and foreign scientists and business people, with special emphasis on creating continuing linkages between professional and business counterparts in the U.S. and host countries
- Providing international training "from the farm gate to the dinner plate" through the Cochran Fellowship Program, professional development, and trade and investment programs

USDA International Programs to Control Harmful Pests and Diseases. USDA is an active participant in a variety of international programs aimed at controlling and preventing the spread of harmful pests and diseases. Increasingly, these programs use new technologies, including biological control methods, which are environmentally friendly and reduce dependence on chemical controls. For example, USDA's Animal and Plant Health Inspection Service participates in foreign programs to control screwworm; medfly; and, most recently, pink hibiscus mealybug in Mexico, Central America, and the Caribbean. These cooperative programs accomplish multiple objectives: allowing for the control of harmful pests, including invasive species, which may threaten agriculture and/or the environment; creating opportunities for safe trade while bringing high-risk pathways under regulatory control; and promoting the transfer of new technologies, including environmentally friendly control tools, among countries.

Animal and Plant Health Inspection Service (APHIS) Plant Quarantine Systems Training. APHIS conducts plant quarantine systems training to foreign regulatory officials from around the world, primarily from developing nations. The once-a-year course provides an overview of plant health by focusing on the following topics: fundamental concepts of plant protection and quarantine models, strategies, and functions; pest risk analysis; carries and commodity inspection;

treatments; germplasm introduction; and export certification. Trade issues, biological control, and biotechnology are also covered.

APHIS Programs to Develop International Standards that Address Threats to the Environment. As a member of the International Plant Protection Convention (IPPC), the phytosanitary standard-setting body recognized by the World Trade Organization (WTO), APHIS has taken a lead in promoting standards that support the goal of protecting plant resources, including wild flora in the environment, from invasive species. For example, in 1995, APHIS helped develop an IPPC standard on release of biological control agents. In 1999, APHIS played a lead role in prioritizing the development of a global standard that would address pests associated with wood-packing materials, including pest threats to forests and the environment. The IPPC will continue to operate as an important international forum for developing science-based standards to guard against pest spread; establishing a predictable and transparent framework for trade; and promoting international cooperation in the area of pest control, including pests that are considered a threat to the environment.

The Ukraine Commercial Agriculture Development Project. This project provides direct, practical assistance to Ukrainian private farmers. Begun in 1996, it offers access to the full resources of the USDA technical agencies and the U.S. cooperating universities. The program has helped increase both the number and strength of viable private farms in selected raions and oblasts. Current project emphases include establishing cooperative service centers to provide farmers with desperately needed inputs, equipment, and credit. Six extension specialists from U.S. cooperating university systems are currently serving eight-month assignments in five regions in Ukraine.

Africa: Seeds of Hope. Seeds of Hope supports the development of agricultural research and extension centers in sub-Saharan Africa. The program combines the resources of USAID and appropriate USDA agencies, especially the Cooperative State Research, Education, and Extension Service. The program focuses primarily on developing sustainable agricultural practices among smallholder farmers, women farmers, and poor rural people in sub-Saharan Africa.

U.S. Department of Commerce (DOC)/National Oceanic and Atmospheric Administration (NOAA)

Sustainable Redevelopment Workshops in Honduras and Nicaragua. In the aftermath of Hurricane Mitch, NOAA experts from the Sea Grant program will conduct nine workshops on coastal infrastructure development, watershed management, and sustainable eco-tourism for an estimated 300 leaders, resource managers, municipal administrators, academics, and other hurricane-affected residents.

Bi-National Agreement for Capacity Building with South Africa. This ongoing activity provides information exchanges and training to the South African majority population in stock assessment, corrective action, strategic planning, and fishery economics. Additional programs promote educational partnerships focusing on

marine and atmospheric science between South African historically disadvantaged universities and U.S. historically black colleges and universities in conjunction with NOAA facilities and research institutions.

Central and Western Pacific Fishery Information Network. Assistance to the network helps island agencies design, implement, and share appropriate local fisheries monitoring, data collecting, analyzing, and reporting programs.

Migratory Fish Stocks Meetings. Funded meetings of the Multilateral High-Level Conference on the conservation and management of highly migratory fish stocks in the Western and Central Pacific.

Pacific Islands Protected Species Program. This activity supports development of sea turtle recovery coordination plans through meetings of officials and biologists from the Pacific Islands.

Pacific Islands Fishing Training. Supported a training program at the Maui Pacific Center related to the Pacific Islands fishing industry.

Climate Change Activities. In partnership with scientists and resource managers in developing countries and other U.S. government agencies, NOAA is working to realize the potential of climate prediction as a powerful tool for sustainable economic development and environmental stewardship. NOAA's Office of Global Programs (OGP) and the USAID Office of Foreign Disaster Assistance (OFDA) are jointly funding a number of projects that use climate forecasting technology to promote food security and reduce vulnerability to climate-related disasters around the world through NOAA/OGP's Pilot Program for the Application of Climate Forecasts. NOAA/OGP and USAID/OFDA have collaborated with regional institutions in Africa, Latin America, and Asia to improve the international institutional framework for consideration of seasonal forecasting and applications issues by organizing a series of Regional Climate Outlook Forums.

China Marine and Coastal Management Program. This ongoing program promotes personnel exchanges for expanded management capacity of coastal and marine areas and resources, including management of protected sites through comprehensive management planning (e.g., coral, mangroves, wetlands), development of a national legislative and regulatory framework for integrated coastal management, and application of technologies to improve decision-making processes (e.g., Geographic Information Systems, monitoring, etc.).

U.S. Department of the Interior (DOI)

Near East, South Asia, and Africa Capacity Building. Efforts have focused on strengthening local conservation institutions through research, management, training, and educational activities.

Russian Federation Capacity Building. Efforts have focused on providing staff training and grants assistance to nature reserves and national parks in the areas of wildlife law enforcement, conservation education, and public outreach.

Latin America and the Caribbean Capacity Building. Efforts have focused on training staff and strengthening institutions for sustainable resource use.

U.S. Department of State (State)/Bureau of Oceans and International Environmental and Scientific Affairs (OES)

Wetlands Management Training. OES funds projects aimed at capacity building and wetlands management training in Latin America. The goals of these activities are to enhance, protect, and preserve wetlands in the Western Hemisphere.

Arctic Council. The United States is the chair of the eight-nation Arctic Council, which supports efforts to develop the capacity of indigenous groups in Russia's Far North to address environmental protection and sustainable development challenges in the region. It also promotes Russia's overall capacity to protect the arctic region from land-based sources of pollution.

Capacity Building in Coral Reefs Management. State/USAID East Asia Environmental Initiative Fund will retrain people currently practicing destructive fishing. The capacity building efforts will develop sustainable certification programs for aquarium-bound coral reef species and promote aquaculture of coral reef species.

Sea Turtle Conservation. Supported a Sea Turtle Conservation Workshop in the Southeast Asia Region.

Regional Training. As part of the East Asia and Pacific Environmental Initiative, funds are available for a regional workshop on the Kyoto mechanism and a regional National Action Plans Conference.

The Global Ocean Observing System. The objective of this international effort is to provide the long-term ocean observations and predictions needed for constructive monitoring and forecasting of conditions and changes in the climate system, marine ecosystems, coastal zone environment, environmental quality, marine weather, and oceanographic services.

USG Joint Efforts

Pacific Island Network (PIN). PIN is a consortium of U.S. federal agencies that works with local and regional organizations to provide technical and educational information and expertise pertaining to the management and sustainable development of coral reefs and associated island resources.

South Pacific Regional Environment Program. This program's objectives are to protect the natural heritage of Pacific Island countries through conservation; minimize pollution and wastes; improve preparedness for pollution emergencies; and strengthen environmental education, training, and information systems.

Negotiating and Implementing Multilateral and Regional Environmental Agreements

Multilateral environmental agreements (MEAs) and regional environmental agreements are the international community's response to global environmental problems, such as transboundary air pollution and the loss of biological diversity. To achieve the goals of these international environmental agreements, all countries must possess the capacity to meet their obligations under them.

DOC/NOAA

Regional Training Course on Coastal Marine Water Quality Criteria and Methods of Wastewater Treatment. In response to a request by government members of the Plan of Action for the Protection of the Marine Environment and Coastal Areas in the Southeast Pacific, the NOS Center for Coastal Monitoring and Assessment has prepared and will direct a training course on the determination of water quality criteria. This activity is undertaken with the governments of Chile, Peru, Ecuador, Colombia, and Panama.

Assistance in the Development of an Indian Ocean Agreement for the Protection of Sea Turtles. NOAA, with State and several Pacific nations, has provided funds and assistance for the future development of such an agreement.

Activities under the Global Environment Facility (GEF). NOAA provides capacity building assistance to the International Waters projects of the GEF, in Africa and Asia and with emerging democracies in Eastern Europe. Marine-related projects are focused on seriously threatened waters, including the National Marine Fisheries Service (NMFS) designated Large Marine Ecosystems. These efforts promote regional international cooperation, avoid further loss of biodiversity, and protect transboundary resources. Efforts are focused on reversing downward trends in resources, environment, health, and socioeconomic benefits derived from ecosystems. Projects have included strengthened participation in multilateral agreements, management assistance, and research funding.

DOI

CITES Training. U.S. Fish and Wildlife Service has conducted training in developing countries to enhance the ability of government officials to effectively implement CITES. Training included components on the overall function of CITES, the issuance of CITES permits, the identification of wildlife parts and products that are commonly in the wildlife trade, and techniques to improve law enforcement. Since January 1998, the Service has participated in and/or coordinated the following CITES training programs.

- Asian Countries Law Enforcement Training at the National Conservation Training Center — 24 government law enforcement officers from 10 different Asian countries participated
- CITES training conducted in Bolivia

- CITES training conducted in China
- CITES law enforcement training conducted and coordinated by DOJ in Madagascar

EPA

Montreal Protocol on Substances that Deplete the Ozone Layer. EPA efforts in preparing national emission inventories and reports, identifying alternative chemicals and processes, and establishing the Multilateral Fund were instrumental in securing the adoption and implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer.

EPA/State

Capacity Building in Support of a Convention on Persistent Organic Pollutants (POPs). State has provided significant funding to the UN Environment Programme (UNEP), which is the Secretariat to the ongoing negotiations on a treaty to control 12 persistent organic pollutant chemicals. UNEP is conducting awareness-raising workshops to help countries understand the policy and implementation issues of the POPs negotiations. EPA is helping UNEP conduct workshops in southern Africa and Asia and is conducting a bilateral POPs workshop with Egypt.

State/USAID/U.S. Department of Energy (DOE)/EPA

Climate Change Country Studies Initiative. The activity provides ongoing support for the development of country studies in nations that have signed the Framework Convention on Climate Change (FCCC). These studies will lead to the development of inventories of greenhouse gas emissions, assessments of country-specific vulnerabilities to climate change, and development of response strategies for mitigating and adapting to climate change.

USAID

Nicaraguan Legislation Related to CITES. USAID has supported national workshops for the development of Nicaraguan legislation to implement CITES.

Nile Basin Initiative. An environmental transboundary opportunities and constraints analysis is being conducted in the Nile Basin to provide preliminary strategies and mitigation measures for potential support under the United Nations Development Programme-World Bank GEF's basin-wide Shared Vision Program.

Regional Center for Southern Africa Water Protocol. The objective of this activity is to provide support to the Water Sector Coordination Unit (WSCU) of the Southern Africa Development Community (SADC) in implementing the 1995 SADC Protocol on Shared Watercourse Systems. Specific activities support the

WSCU in bringing the Protocol into conformity with the United Nations Convention on the Law of Non-Navigational Uses of International Watercourses, publicize the Protocol, and elaborate steps necessary for effective implementation. This includes articulation of roles and guidelines for the management of shared watercourse systems, harmonization of national laws with the Protocol, and defining basins and agreeing on boundaries.

USAID/State

South Pacific Tuna Treaty. USAID funds and State administers the South Pacific Tuna Treaty.

Setting Conditions and Controlling Environmental Impacts

While increased trade and investment liberalization can result in global efficiencies, they can also result in increased intensity and scale of natural resources use. Developing countries need access to the latest policies, practices, and technologies necessary to set conditions to control and mitigate environmental impacts for trade and investment activities.

DOC/International Trade Administration (ITA)

The DOC Commercial Law Development Program (CLDP). This program provides assistance in formerly Communist countries, the Middle East, and Africa in improving the development and application of industrial, sanitary, and phytosanitary standards and public procurement systems that will help nations more effectively consider and protect their environments. CLDP supports the establishment of economically sound regulatory systems and development of strong administrative skills to improve environmental and economic institutional capacity. Support for expanded economic growth and political stability facilitates adoption of environmentally sound policies.

Emerging Market Training Seminars. The ITA conducted several technical and training seminars that served to enhance technical capacity and skills in key emerging markets.

- Liberalization and trade policy.
- Trade promotion — Organizing, planning, leading, or supporting more than 60 domestic and overseas envirotech conferences and trade events every year. High-level trade missions focused on the environmental sector have gone to the Middle East, Latin America, Africa, Asia/China, and Central/Eastern Europe.
- Technical seminars — ITA has developed or co-sponsored technical assistance training events that advance U.S. envirotech interests in specific markets (e.g., technical seminars in Argentina, Brazil, Colombia, Mexico, and China; technology demonstrations in Argentina; and conferences on water sector issues in Thailand).

- Advocacy — ITA advocacy resulted in about \$2.5 billion in envirotech-related contracts for U.S. companies between 1995 and 1997.
- Market research and regional priorities — Extensive market research is conducted to identify export opportunities and environmental needs in foreign markets.

DOC/NOAA

Developing Guidelines for Sustainable Harvest of Corals for Export. This activity has been undertaken with the Indonesian scientific authority and a private eco-labeling institute. This effort advances a broader international process on marine product certification. The NMFS has also undertaken translation of the Coral Identification Manual into Indonesian to assist their national efforts.

Catalyzing Action to Curtail Trade-Driven Cyanide Fishing. Activities to promote education and action on limiting destructive fishing practices have been pursued through Asia-Pacific Economic Cooperation (APEC) agreements, technical workshops, and a 1997 workshop on reef-destructive fishing practices in Mexico.

Transfer of Turtle Excluder Device (TED) Technology, and Turtle Conservation and Recovery Efforts. NOAA conducts numerous activities to promote the conservation and recovery of sea turtles. NOAA provides training and capacity building for developing countries in effective implementation of TEDs. This effort is targeted at developing countries with large shrimp production, with regional focuses in Latin America, the Caribbean, Southeast Asia, and Africa. Additional conservation efforts have involved enhanced resource surveys; improved enforcement capacity; and transferring biological technology, such as satellite telemetry techniques, for monitoring sea turtle movements.

Technical Assistance in Contingency Planning and Training Activities. This activity provides technical assistance and training in preparation of oil spill and hazardous materials contingency plans as well as training with state-of-the-art software tools. Projects have been undertaken in collaboration with China, Nicaragua, Honduras, Guatemala, El Salvador, and Panama.

Training in Hazard Analysis and Critical Control Point (HACCP) Standards. NOAA has engaged the government and seafood products industry in Morocco and Vietnam on improving training and implementation of these critical food safety procedures that reduce environmental impacts through reduced flow of waste products back to the marine environment.

Training in Coral Identification for Law Enforcement Officials. This activity involved providing technical assistance, workshops, and published training materials in Spanish and English to officials in Canada and Mexico for identification of coral reef organisms in international trade.

EPA

North American Regional Development Plan. EPA has worked with Canada and Mexico in developing a number of regional plans, including a program to phase down the use of PCBs and pesticides, such as DDT. These plans are part of the CEC's Sound Management of Chemicals Program, which is responsible for reducing the risks of persistent toxic substances to human health and the environment. These plans could be useful models for other developing countries.

Under its Clean Air Technology Center, EPA has established the U.S.-Mexico Border Information Center on Air Pollution (CICA). CICA transfers U.S. air pollution prevention and control technology information to Mexico by providing access to EPA technical expertise and data. EPA is now working to create a pollution prevention and control technology database with vendor organizations to provide easy access to information on U.S. air technologies. CICA also promotes international capacity building by providing the tools and information necessary for Mexican industry and government agencies to solve air pollution problems.

Brownfields Revitalization. This program has assisted the city of Ostrava in the Czech Republic to provide technical upgrades and closures of four polluting coke ovens. The closures helped revitalize abandoned brownfield sites through the mobilization of \$43 million in Czech funds for remediation and redevelopment in downtown Ostrava.

Air Pollution Control. Agency efforts through USAID-funded programs in Russia and the New Independent States have resulted in a 25,000 ton reduction in annual CO₂ emissions at the Mosenergo Elektrostal Power Plant near Moscow; a 60 percent reduction in annual nitrogen oxide emissions at the Ladyzhin coal-fired power plant in Ukraine; a 7 percent reduction in stationary source particulate emissions in Volgograd; a 75 percent reduction in bronchial asthma among children; and a 500,000 ton reduction in air emissions from mine waste at the Chermshansk site.

Municipal Wastewater Treatment Plant Improvements. A pilot project is improving municipal wastewater treatment plants' performance in three cities near Moscow. This program is being sustained through the establishment of a professional wastewater treatment plant training center in Smolensk. The center has helped disseminate best practice information to more than 700 treatment plant operators in the region.

Environmental Management Training Modules. As a key component of its international capacity building program, EPA has designed a series of 24 training modules that it uses to impart information on key environmental management techniques employed in the United States. Modules include:

- Chemical Emergency Preparedness and Prevention
- Chemical Safety Auditing at Industrial Facilities
- Communications: Public Outreach
- Communications for Environmental Results

- Ecological Risk Assessment and Decision Making
- Economics of Environmental Decision Making
- Economic Incentives for Environmental Decision Making
- Environmental Compliance and Enforcement: Principles
- Principles of Environmental Impact Assessment
- Principles of Environmental Impact Assessment for Reviewers
- Principles of Environmental Policy
- Hazardous Materials Emergency Response
- Principles of Hazardous Waste Site Ranking
- Managing in an Environmental Organization
- Medical Waste Management
- Pesticide Disposal in Developing Countries
- Principles of Pollution Prevention
- Revenue Raising Mechanisms for Environmental Investments
- Principles of Risk and Crisis
- Communications Principles of Risk
- Management for Hazardous Waste Sites
- Principles of Solid Waste Management Planning

OPIC

Assistance in Controlling Impacts of Individual Investments. OPIC incorporates into the projects it supports adherence to World Bank/International Finance Corporation (IFC) environmental guidelines as well as other normative standards on internationally recognized protected areas. This demonstrates to host country governments, industries, and other stakeholders how economic development initiatives can be both ecologically sound and financially successful. The cleaner, more efficient, and environmentally sustainable production processes promoted by these international standards have the wider positive outcome of encouraging, promoting, and ensuring higher environmental standards in the activities of local contract suppliers and producers connected to OPIC-supported projects.

USAID

Environmental Pollution Prevention Project. This activity addresses urban and industrial pollution and environmental quality in developing countries by effecting changes in policies and regulations; encouraging information sharing; training environmental professionals; and conducting institutional support for

industry, local governments, nongovernmental organizations (NGOs), and industrial associations. This activity involves multi-year programs in Bolivia, Chile, Ecuador, Egypt, Indonesia, Jamaica, Mexico, Paraguay, Tunisia, the Czech Republic, El Salvador, India, Nicaragua, Peru, Sri Lanka, Thailand, Ukraine, and Zambia.

The Latin American Initiative for Environmental Technology. This activity, a collaborative effort with the Environmental Export Council, maximizes the benefits from increasing globalization, economic growth, and heightened environmental awareness. Its primary objective is to increase the role of the private sector in environmentally sustainable development through the formation of a series of innovative partnerships leveraging the resources of government, the private sector, industry associations, and NGOs. The result is a coordinated effort between the public and private sectors toward the mutually beneficial objective of environmentally sustainable economic growth and development. The program has succeeded in assisting more than 45 U.S. companies from 14 states working in 17 countries. Target sectors included industrial water and wastewater treatment, pollution prevention, and energy efficiency.

Clean Production in Central and South America. USAID co-sponsored the first hemispheric consultation on clean production (Brazil 1998) to share successful approaches and lessons learned, develop a draft strategy for clean production in the region, and launch a Central and South American clean production roundtable.

Mining, Investment, Trade, and Environment in Central and South America. USAID sponsored the first meeting of Central and South American mining ministers, industry, and private investors on “Mining Investment, Trade, and Environment” and contributed to the Bolivia Summit mining initiative, which included the commitment of mining ministers to ensuring environmental soundness of mining through:

- Development of guidelines for mining policy formulation
- Assessment of mining investments, requirements for clean technologies, and environmental liabilities to support greening of mining investments
- Development of the first comprehensive technical manual devoted to best practices in mining for clean production

Private Sector Investment as a Mechanism for Sustainable Forestry Development in Central and South America. USAID sponsored the first meeting of Central and South America ministers of forestry, industry, and NGOs on “Private Sector Investment as a Mechanism for Sustainable Forestry Development” and the launching of subsequent initiatives, including:

- Development of guidelines for sustainable harvest of non-timber forest products
- Assessment of economic benefits of, and constraints to, low-impact logging

Caribbean Hotel International Organization for Standards (ISO) 14000. USAID sponsored an international environmental standards (ISO 14000) workshop for Caribbean hotels.

Shrimp Aquaculture Trade, Environment, and Social Issues Assessment in the Latin American Region. USAID conducted the first assessment of shrimp aquaculture trade, environment, and social issues in the Latin American region, leading to the development of best management practices and an assessment of environmental legal frameworks for shrimp aquaculture.

India Industrial Clean Technology Initiative. This initiative's objective is to improve the environmental performance of select high-growth and polluting industrial sectors. Activities are aimed at strengthening emerging incentives in the marketplace and the corresponding capacity of industries to respond to these incentives. The participatory process allows members of the private sector to develop their own performance standards, determine their information needs, and improve environmental performance through better management practices and investment in cleaner technologies.

United States-Asia Environmental Partnership (US-AEP). This partnership provides assistance in the areas of policy analysis and technical support focusing on:

- Incorporating environmental considerations into Asian industrial/development programs
- Strategic planning, including regular environmental assessments
- Performance monitoring, data collection, and analysis systems development
- Information management and dissemination

ECOLINKS. This initiative seeks a practical, market-based solution to industrial and urban environmental problems in Central Europe and Eurasia. Activities include:

- Using state-of-the-art technologies and practices to clean up industrial and urban environmental problems from the past and sustain environmental quality for the future
- Employing effective environmental management systems in businesses and local communities
- Promoting and pursuing pollution prevention and waste minimization opportunities
- Expanding investments in clean and efficient production technologies and in processes yielding environmentally friendly products
- Carrying out strategies to reduce greenhouse gas emissions that may cause global climate change

Global Technology Network (GTN). This network of domestic and international partners assists U.S. small and medium-sized firms seeking access to emerging

overseas markets. It facilitates the transfer of U.S. technology and services to developing countries by matching a local company's development needs with U.S. firms equipped to provide the appropriate technological solutions. GTN is operated out of USAID's Office of Business Development and focuses primarily on agriculture, communications and information technology, environment and energy, and health technology.

The GTN Regional Initiative, a new activity, provides electronic commerce linkages that facilitate domestic and regional trade in USAID-assisted regions worldwide. With USAID regional bureau or mission funding, GTN will install an electronic trade opportunity matching system and a communications network in selected host country organizations and train local staff on their use. The initiative complements USAID strategic objectives by creating a permanent link to domestic, regional, and U.S. markets.

Caspian Environmental Partnership Initiative. This activity addresses environmental aspects of Caspian oil development and transportation through a variety of partnerships linking entities in the United States and the Central Asian Republics. Working closely with U.S. and international oil industry professionals, government representatives, local citizens' organizations, and other donors, USAID has identified partnership opportunities for potential USAID support in three areas: regulatory, educational, and NGOs. The partnerships' focus areas include oil spill response, environmental education, regulation, and information dissemination.

Caspian Comparative Risk Baseline Analysis. This activity consists of a six-month study comparing the environmental risks associated with various scenarios for development of oil and gas resources in and around the Caspian Sea. Impacts on human health and ecosystems are the focus of the analysis, with human welfare and economics a secondary theme. Once the study is complete, USAID will sponsor a stakeholders' conference in the region to present the results and start a discussion of the potential risks and management solutions.

Enhancing Understanding of and Participation in International Institutional Frameworks

To participate effectively in the global marketplace, developing countries need to fully understand forces affecting environmental and economic policy and to engage in international institutional frameworks.

Export-Import Bank of the United States (Ex-Im)

Participation in the World Bank-Led World Commission on Dams (WCD). Ex-Im participates in the WCD, which develops criteria for the future of large dam projects and how to address the worldwide social, environmental, and developmental challenges they raise. The WCD includes representation from the major NGOs and indigenous groups affected by dams as well as business, governments, and IFIs.

Participation in the Multi-Agency USG Development 2000 Effort. Ex-Im participates in this U.S./United Nations representative-spearheaded effort, setting principles for global development policy for the next century.

USDA

WTO Support Programs. USDA actively participates in efforts to help developing countries develop and enforce the necessary legal and technical frameworks within their institutions to fully implement WTO agreements. For example, USDA and USAID sponsor workshops for the Common Market for Eastern and Southern Africa (COMESA) nations aimed at building WTO capacity in these countries to ensure their full participation in the upcoming negotiations. USDA addresses the agricultural issues confronting members and offers further technical assistance in areas of mutual interest.

Other activities are related to helping developing countries prepare for the upcoming trade negotiations in Seattle. For example, USDA works closely with countries of sub-Saharan Africa to ensure that they are better able to take advantage of the benefits of trade liberalization. African exporters of agricultural products as well as consumers will benefit from the multilateral negotiations to eliminate export subsidies, discipline other trade-distorting export practices, establish improved market access, and ensure science-based procedures on sanitary and phytosanitary (SPS) measures and on trade in products of biotechnology.

Technical Assistance on Trade Aspects of SPS Standards. USDA hosts comprehensive programs on the trade implications of international SPS standards. The programs include seminars and workshops to review SPS and other food safety issues as well as the work of international bodies, such as the WTO and the Codex Alimentarius Commission. The objective of the programs is to provide government officials from developing countries with a better understanding of internationally accepted standards and to inform them of the importance of active participation in the international bodies that set these standards.

Codex Workshops. USDA conducts meetings with developing countries to raise issues of mutual concern that are before the Codex Alimentarius Commission and to encourage the active participation of these countries in Codex meetings. These efforts were extremely important in building a coalition between the United States and developing countries to address maximum aflatoxin levels in the European Union (EU) and Codex regulations. In addition, the cooperation and information gained from these sessions will help promote mutually beneficial trade between the United States and the countries of Africa.

Assistance in SPS Equivalency Determinations. USDA's Food Safety Inspection Service (FSIS) conducts several activities that assist developing countries in developing and implementing residue control programs to ensure that products exported into the United States do not contain illegal chemical residues. FSIS inspectors conduct annual on-site audits of each of the 36 countries that are eligible to export to the United States. Through the audits, FSIS offers guidance on

improving the countries' export programs. FSIS also tests products for residues at the ports of entry in the United States and, when port violations are found, provides feedback to countries to assist them in improving control of illegal residues.

Improving the Environmental Performance of International Financial Institutions and Export Credit Agencies

Transparent structures within international institutions and export credit agencies play an important role in holding investors accountable for the environmental impacts of their projects.

Ex-Im

Environmental Procedures Technical Assistance. Ex-Im provides technical assistance to other Export Credit Agencies (ECAs) and finance ministry officials on the need to incorporate environmental procedures into ECA decisions. Common, "upwardly harmonized" guidelines are required to avoid competition toward the least common denominator. This involves educating other governments, through general meetings and case-specific dialogues, across ECAs, both bilateral and multilateral.

Environmental Impact Assessment Technical Assistance. The G7 ECAs have agreed to formalize the practice of requiring an EIA for large multi-ECA-financed projects as well as of discussing EIA results to reach agreement on what environmental mitigation upgrades a given project design requires. If several large projects enter this information-sharing mechanism, Ex-Im's investment could approach at least \$500,000. These exercises not only help upgrade specific projects (and help determine whether they merit financing at all), but also represent time invested in teaching the staff and leaders of other ECAs to think in environmental as well as balance-sheet terms. This represents a radical change that may lead in the medium term to common guidelines.

OPIC

Assistance in Developing and Harmonizing Environmental Standards. OPIC encourages its foreign bilateral agency counterparts as well as its private sector partners to recognize the importance of environmental management to the long-term success of the projects they support and to integrate environmental considerations into their investment decision making. This strategy is part of a larger U.S.-led effort within the OECD to encourage bilateral agencies and ECAs to develop and harmonize environmental standards for projects in developing countries.

Public Sector Political Risk Insurer Meetings. With respect to the public sector political risk insurers, OPIC hosted a technical panel of the Berne Union in March 1998. Environmental protection was a prominent agenda topic at this meeting,

which included a presentation on the relationship between environmental management and political risk. Representatives of other public sector political risk insurance agencies from around the world attended the event.

OPIC also convened a meeting in July 1998 with private political risk insurers, dedicated exclusively to discussing environmental issues in political risk insurance. Representatives of the Administration and environmental NGOs made presentations on their efforts to promote common environmental standards among international financial institutions and ECAs. OPIC outlined how it incorporates environmental standards into sound underwriting practices. Finally, representatives of an international law firm discussed the current state of litigation abroad arising from environmental issues.

Consultations with Counterparts. OPIC's counterpart agencies in Canada, Germany, and Japan are in the process of examining the role that environmental considerations play in their investment's long-term success. Within the investment support and export credit agency communities, OPIC remains committed to consulting with its OECD counterparts on the benefits, for both foreign investors and host developing countries, of harmonizing environmental standards in development decision making.

OPIC maintains an active ongoing dialogue with these other bilateral institutions with the aim of encouraging them to adopt and implement internationally acceptable standards, such as the World Bank/IFC environmental guidelines, in the developing country projects that they support. Encouraging adherence to these state-of-the-art norms is important for achieving a "level playing field" among foreign investors in host countries and also increases developing country governments' familiarity with, and acceptance of, environmental standards as an integral part of modern well-functioning economies. OPIC also consults regularly with multilateral agencies, particularly the IFC and the European Bank for Reconstruction and Development (EBRD), to continue improving its environmental procedures and performance.

Facilitating Common Standards for IFIs. OPIC strongly supports constructive dialogue on the host country level as an alternative to a debate among the IFIs about what standards to apply. If host countries raise their own standards, receive assistance from developed countries on improving enforcement, and establish greater transparency and consultation mechanisms within their own countries, then all investors will have to play by the same rules. There will no longer be a debate regarding whether U.S. companies are being held to a higher standard than their other developed country counterparts. At the September IFI meeting hosted by IFC, there was strong support for the World Bank Group taking a more active role in helping developing countries improve standards and enforcement.

U.S. Department of the Treasury (Treasury)

IFI Environment-Related Practices. Considerable progress has been made over the past 10 years on reducing the adverse environmental impact of projects and related policies in the IFIs. Due to concern that more work is needed to ensure

trade liberalization proceeds in harmony with environmental protection, the Clinton Administration committed to undertake specific measures on environment-related issues in the IFIs.

- Promote an independent environmental advisory committee at the Inter-American Development Bank
- Press for a significant increase in direct lending for environment and natural resources management projects
- Scrutinize the compliance with and effectiveness of public information disclosure and participation requirements regarding environmentally sensitive projects
- Examine the practices of the existing Inspection Panels and establish panels at the remaining Multilateral Development Banks (MDBs)
- Continue to urge the IMF, in its program design and annual consultations with members, to consider the link between environmental and economic policy choices

Assessing and Mitigating Environmental Impacts of Trade and Investment Liberalization

Enhancing Stakeholder Understanding of and Participation in the Identification and Resolution of Trade, Investment, and Environmental Conflicts

A critical component of trade and investment liberalization is the ability of individual and group stakeholders to understand and participate in the identification and resolution of trade, investment, and environmental conflicts. Transparency, public participation, and stakeholder access to information are essential to ensuring that trade and investment activities give adequate attention to environmental and social needs.

EPA

Cleaner Production Networks and Information Systems. EPA supports the development of networks for cleaner production through which governments, NGOs, and a variety of industry sectors may exchange information on best practices, innovative programs, financing, new technologies, and training tools. EPA has also developed two cleaner production information systems available for use by the international community. The International Cleaner Production Cooperative is a network providing publicly available on-line cleaner production information. The Agency is also developing an on-line resource on cleaner production practices and policies for industry sectors.

Pollutant Release and Transfer Registers (PRTRs). EPA has worked since 1992 to foster the development of PRTRs in other countries, especially in rapidly industrializing nations. The United States now chairs the PRTR Coordination Group, an international consortium created to share expertise and coordinate

PRTR development activities among governments, multilateral organizations, industry groups, and NGOs.

EPA's Environmental Monitoring for Public Access and Community Tracking (EMPACT) Program. This program is a new approach to working with communities to collect, manage, and present environmental information. Though traditionally a domestic program, EMPACT plans to run pilot projects in international communities within the next year. Potential international projects include real-time monitoring of dioxin and other trace projects and time- and health-relevant monitoring methods for small particles.

Technical Information Packages (TIPs). Building on a repository of more than 7,000 scientific and technical publications, EPA has developed TIPs on small community wastewater systems, hazardous waste management, air quality management, and other environmental challenges confronting developing countries. Targeted at an international audience, particularly developing countries, the TIPs are available electronically on EPA's Web site and in CD-ROM format.

Environmental Education. Through cooperative programs with the Institute for Sustainable Communities, the North American Association for Environmental Education, and other organizations, EPA is using technical assistance, training, and information dissemination to support the development of environmental education programs in Central and Eastern Europe, Central and South America, and, more recently, in parts of Africa. Under the "Blue Thumb" program, for example, lessons on environmental stewardship and water protection were taught to thousands of school children in many cities across Poland and Ukraine. Materials originally developed for use in Central and Eastern Europe are now being translated into Spanish for use in Latin America.

Newly Independent States Regional Environmental Centers. Building on the successful model of the Regional Environmental Center (REC) established in Budapest, Hungary, in 1990, EPA and the EU are assisting development of five new centers in Ukraine, Moldova, Russia, the Caucasus, and Central Asia. The RECs serve as NGOs that work with environmental NGOs, businesses, and government in raising awareness of key regional environmental issues related to the development of market-driven economies. The centers support the free exchange of information and promote public participation in environmental decision making.

Ex-Im

NGO Capacity Building. Apart from the significant time Ex-Im's staff invests in interacting with domestic and international NGOs to receive their concerns about specific projects being considered for financing, Ex-Im increasingly dedicates staff time to sharing information with NGOs operating internationally on broader technical and policy questions. Such cooperation aims to help the NGOs educate the public and government officials.

OPIC

Stakeholder Involvement Assistance. OPIC policies require investors to inform the public of proposed environmentally sensitive projects under consideration for OPIC support. For environmentally sensitive projects, investors are required to disclose for public review and comment, via OPIC's Web site, the availability of an EIA for the proposed project. The goal is to promote transparency of information and reach out to as many affected stakeholder groups as possible to ensure that these groups are able to participate in the developmental decision-making process.

OPIC strongly encourages project sponsors to contact directly affected communities to solicit comments during the EIA process. Specific guidance is provided, including an IFC manual developed for this purpose. OPIC recently required an investor to obtain comments and consult directly with indigenous and other local communities on the environmental and socioeconomic aspects of a pipeline project in Latin America. Often, OPIC's public disclosure process for environmentally sensitive project EIAs provides stakeholder groups with their first meaningful opportunity to make their concerns known and to participate actively in local and national development decision-making processes.

Peace Corps

Pacific Initiative. This activity enhances environmental awareness and management, strengthening indigenous NGOs and traditional organizations, preparing youth societal roles, and fostering volunteerism.

USAID

Latin America and Caribbean Trade and Environment Program. This activity is designed to enhance the understanding of, and promote action on, key trade/environment issues in support of environmentally sound trade and the Free Trade Area of the Americas. Activities include:

- Funding the first comprehensive regional analysis of trade and environment issues presented at the Hemispheric meeting in 1998 on Trade and Environment hosted by the Government of Costa Rica
- Sponsoring regional consultations by government, industry, NGOs, and investors for mining, forestry, and industrial exports sectors on "trade and environment" to discuss business benefits of clean production, market opportunities for eco-certified products, international environmental standards (ISO 14000), greening of private investment, and regulatory frameworks
- Co-sponsoring with IDB an international seminar in 1996, attended by government, industry, and investors, on "Trade and Environment: Environmental Competitiveness and Market Expansion for Paraguay"
- Contributing to the development, launching, and ongoing implementation of the Bolivia Summit governance initiative, "The Inter-American Strategy for Public Participation in Sustainable Development"

- Supporting a consultation by government, private sector, and NGOs on trade-related environmental challenges and trade policy in October 1999

PVO/Natural Resources Management Project. This activity is designed to strengthen the technical and institutional capacity of NGOs working in Africa in natural resources management.