

Internship Report for the Master Programme “Global Political Economy” at the University of Kassel/Germany

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Name: Nils Pohl

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Name and address of the organisation: Economics and Trade Branch (ETB) of the United Nations Environmental Programme – Division of Technology, Industry and Economics (UNEP-DTIE), 11-13, Chemin des Anémones, 1219 Châtelaine – Genève, Switzerland Telephone : (41 22) 917.81.78/ 917.82.43 Fax (41 22) 796.92.40/917.80.76 , E-mail: etb@unep.ch

Supervisor at ETB: Maria Cecilia Pineda – Economic Affairs Officer of ETB, email: cecilia.pineda@unep.ch

Length of internship: Three months

Attached documents: Internship certificate

Contents

1. ETB staff structure and composition	2
2. ETB funding	2
3. ETB objectives.....	2
4. Tasks during the internship.....	4
5. Reflections on the internship	4

1. ETB staff structure and composition

The Economics and Trade Branch (ETB) is headed by Hussein Abaza, Chief Economist from Egypt, followed by seven officers dealing with economic and legal affairs as well as supported by several temporary consultants and interns and two permanent secretaries.

The higher staff composition is quite balanced in terms of female/male and Industrial/Transitional and Developing Country origin: Three officers are female, two officers come from Germany, one from the United States of America, one from Japan, one from Pakistan, one from China and one from Colombia.

Overall, the share of female personnel at ETB is currently about 50 percent.

The number of officer positions will remain on the current level while there is a tendency at ETB and other DITE subdivisions to increase the number of consultants for specific projects with short-term contracts between 3 – 6 months. There is also a permanent need of support by voluntary interns at ETB.

2. ETB funding

The United Nations Environmental Programme (UNEP) is funding the ETB's infrastructure and employee salaries. Almost all funding for ETB projects is granted by governments from Industrial Countries, the biggest donors being Norway, Germany, The Netherlands and the United States.

3. ETB objectives

The Economics and Trade Branch aims at enhancing the capacity of governments and civil society to apply analytical tools to integrate environmental considerations in economic, trade, financial, and poverty reduction policies in support of national sustainable development goals. These capacity building efforts are primarily targeted at Developing Countries.

Based on the objectives and the mandate established in several UNEP Governing Council Decisions¹ as well as other international documents such as the World Summit on Sustainable Development Plan of Implementation, the Economics and Trade Branch (ETB) concentrates its activities in the following four thematic areas:

- Integrating environmental considerations in macroeconomic policies with an emphasis on sustainable trade promotion and poverty reduction;
- Promoting sound environmental management through economic instruments and subsidy reform;
- Promoting mutually supportive trade and environment policies; and
- Promoting the role of the financial sector in sustainable development

¹ Governing Council Decision (GC) 21/14 and 20/29 and those adopted in the work programme adopted at GC 22 and 23 (contained in UNEP/GC.22/6 and UNEP/GC.23/8)

Current activities to achieve these aims and those planned for the 2005-07 period include

- Supporting governments and national institutions to implement integrated policies, i.e. policies which take into account the sustainable development “trinity” of economic, social and ecological goals based on ex post and ex ante assessments of trade policies, developing implementation plans including monitoring and evaluation, supporting countries’ efforts in executing the plans, as well as evaluating and documenting preliminary implementation experiences.
- Expanding Integrated Assessment and Planning (IAP) to additional sectors and countries in order to test the applicability of the IAP approach to a larger number economic and natural resource sectors, such as the fishery, agriculture, energy, transport, tourism, and water sectors and under various country circumstances.
- Promoting and refining analytical tools for integrated policy-making, i.e. by communicating and refining existing knowledge on analytical tools, including economic valuation of the environment, integrated economic and environmental accounting, economic instruments for environmental management, and various tools used for conducting Environmental Impact Assessment (EIA) and Integrated Assessment and Planning such as General Equilibrium Modelling, Regressions Analysis, Stakeholder Analysis, Focus groups and semi-structured interviewing, or Cross Impact Matrix and Causal Chain Analysis. This is to be achieved through compiling various training manuals and case studies, translating them into different languages, communicating them in various means including the internet, and bringing together internationally renowned experts to further advance the analytical tools, including the development of an international framework for integrated assessment based on broad international consensus.

ETB commissions external institutes and experts with the implementation of research projects conceptualised in house or given by its mandate in the various international environmental conventions. The ETB officers supervise progress in the projects and edit the research findings. They organise review meetings with the clients and communicate research insights and the currently environmentally relevant trade policies and debates with target groups and ETBs wider stakeholders².

² Concerning the group of clients and addressees of ETBs funding and analysis, primarily state institutions, the actual policy conclusions drawn from the potential research findings are certainly not automatically implemented solely because of the funds that each country receives from ETB (the amount of 40.000\$ for a 2 year IAP study was given to each of the small research teams in the eleven current IAP project countries (see footnote 3).

An example of ETBs communication with wider stakeholders was the ” NGO briefing” on April, the 22nd at UNEP/Geneva for which ETB invited NGOs such as Greenpeace international, WWF or

4. Tasks during the internship

I assisted my supervisor in pursuing her work in one of ETBs main thematic areas - Integrated Assessment and Planning (IAP) where ETB has arranged the use of IAP in different development projects and plans to be realized in eleven so called Transition and Developing Countries³. The tasks comprised a

- Conception of an internet forum for Integrated Assessment and Planning (IAP)
- Description of methodologies contained in a toolkit for IAP
- Review of IAP country project reports
- Review and summary of methodologies used in country case studies published by UNEP ETB between 1999 and 2005
- Preparation of a presentation on Ecolabels held during the Higher Andean UNCTAD-PNUMA negotiations on environmental goods and services
- Conception of the linkages between poverty, trade and environment

The work covered different themes and demanded various skills ranging from technical considerations of communication, to methodological knowledge and thematic linking of the various aspects in environmental discourse with special focus on trade.

5. Reflections on the internship

UNEP's Economic and Trade Branch is a problem solving organisation analysing instruments in capitalist economies which enable or hinder the promotion of sustainable trade between states. Here, trade is not necessarily a bad thing for the environment but it depends on the circumstances and right tuning and mix of instruments available in capitalist states in order to make trade work for the poor and poor states. Be it the analysis of state subsidies for fisheries that are currently assessed for their sustainability in different settings, or the promotion of environmental and social considerations during modernisation efforts in Developing countries in IAP studies, both ETB activities represent the baselines on which states nowadays are supposed to act. In contrast, the link between rich and poor is not made, instead recent statements claim a different relation between both. Klaus Töpfer, Executive Director of the United Nations Environment Programme (UNEP), said⁴:

"It is up to cities in the developed world to set an example in areas such as the efficient use of energy and water. And it is incumbent upon them to partner developing world cities so they

Friends of the Earth in order to clarify ETBs delicate and narrow mandate granted by states to monitor national trade and development policies and their impact on the environment on the one hand; and with the purpose to give NGOs the opportunity to discuss and comment on ETBs approach and address potential improvements. The meeting turned out to be rather silent on the latter aspect.

³ The countries are Brazil, Chile, China, Colombia, Czech Republic, Kenya, Indonesia, Lebanon, Russia, Tanzania, Uganda. The development projects include, trade liberalisation policies, highway construction, Poverty Reduction and national/regional development plans.

⁴ The quote is taken from Klaus Töpfer's invitation letter to the World Environment Day in San Francisco on 1 - 5 2005 June named "A green deal for cities" and posted via the UNEP email-server.

do not take a short-term 'dirty' development path, but a long-term sustainable one." "If this can be done, we can help realize the UN Millennium Development Goals by 2015, and in doing so rid the world of *poverty - the most toxic element of all*" (cursive – emphasis by Pohl).

The last phrase tells us that the poor damage the environment intensively. The phrase necessarily implies that the poor must become richer to stop unsustainable development but it does not demand any sharp concessions by high income countries in order to achieve sustainability in poor regions and for poor groups everywhere, but poor regions can learn from the developed world. Unfortunately, Töpfer`s statement becomes questionable when we compare current cross national per capita consumption of national and global environment between low and high income countries. Here, the latter such as Europe and the USA, Australia, New Zealand and Japan rank far ahead in per capita resource and pollution intensity of various substances compared to poor countries. A recent Worldwatch Institute report on the increasing environmental damage of economic growth⁵ emphasises that Europe and the USA are far ahead in resource and energy intensity and that fast growing countries, such as China put immense additional burden on their own and global environment (in the case of China the scale of production makes its global impact so important). This makes learning from the developed world even less advisable, puts questionmarks on the Prometheans believe in the humans capacity to have the right technology at the right time⁶, and implies analysis of the claims about distributive justice and discriminating wealth in environmental terms informed by the assumption of ecological limits on the resource and sink side.

A Memo on the Worldwatch Report was posed on the general UNEP email server a few weeks after Töpfer`s statement.

Further, the disproportionately higher share of working class, ethnic people, the poor and females exposed to damaging pollution and health risks in daily life settings (housing, food, traffic, leisure) is a further empirical proof that makes Töpfer`s statement less plausible and potentially misleading when it comes to policy recommendations. In my work on the conception of trade, poverty and environment which forms part of analysis scope in the Branch`s Integrated Assessment and Planning (IAP) studies I tried to broaden and systematize the scope of the poverty-environment debate and analysis beyond such undifferentiated official statements.

⁵ World Watch Institute (2005): Vital Signs 2005, Washington, DC.

⁶ This line of argument is essential to the writings of the popular scholar Julian Simon (1981) who argued that more people means more creativity and more creativity helps to overcome biophysical limits through technological inventiveness and therefore is the precondition for improvements in environmental quality. Simon, J. (1981): The ultimate resource. Oxford: Robertson.

Beside these UNEP internal standpoints, the Economics and Trade Branch's (ETB) funding dependence and legitimacy given through the mandate of states and their agencies make ETBs field of activities a delicate matter: Mr. Abaza often mentions the initial difficulties of the Branch for recognition (and funding!) by states. States asked UNEP in how far the Branch's activities would tend to criticize state efforts to use trade as a means of development. Thus, ETB tends to hold up the cases where trade and environmental issues led or will lead to sustainable outcomes.

Other external influence by donor countries is demonstrated by the (inofficial?) rule that neither research nor official statements of ETB may be made on the "Precautionary Principle", a well known and widely accepted principle in e.g. European Countries of how to deal with uncertain environmental knowledge, because the United States as a major donor demands the non-thematisation of this principle. The Precautionary Principle has also been important in recent trade disputes with Europe about the latter's import restrictions on genetically modified food from the United States. This leaves the Economics and Trade Branch without much room for critical research scope and demands motivating vocabulary in ETBs formulations.

Despite these critical reflections, the work at the Economics and Trade Branch (ETB) offered interesting and challenging tasks from which I received valuable experiences. The staff is friendly and young, still, ETBs approach and objectives are not completely reflecting my understanding and interest in the trade-environment debate and thus makes a future work with ETB less likely.