

## Technology Transfer, Co-operation and Capacity Building:

### Building a Relationship between Sustainable Development and Trade

By Arthur H. Campeau, Q.C.

Canada's Ambassador on Environment and Sustainable Development  
Vice-Chair to the Bureau of the UN Commission on Sustainable Development

The United Nations Commission on Sustainable Development (CSD) was created to "review and monitor" the implementation of Agenda 21. However, in June 1993, when the Commission met for its first substantive session, international environment ministers clearly indicated that the CSD should also be a results-oriented body. While the CSD is not an implementing agency, it is expected to be forward-looking as countries strive for progress in the implementation of Agenda 21 and other UN Conference on Environment and Development (UNCED) outcomes.

With this mandate, the Commission has identified the relationship of sustainable development and trade policies as an issue not only of growing global interest but also of direct interest to the Commission's current work in the area of technology transfer and capacity building.

At the June 1992 Earth Summit in Rio de Janeiro, the issues of technology transfer were key points of debate. There is now general agreement that the development and transfer of environmentally sound technologies are critical to developing countries as they strive to achieve the transition to a sustainable development path. Rio also identified local capacity building as an indispensable complement to North-South technology transfer. The Commission is seeking effective progress in both these areas.

Specifically, the CSD's Ad Hoc Working Group on Technology Transfer, Co-operation, and Capacity Building will meet in February 1994 to prepare for the second substantive CSD session. Leading up to this meeting, a sequence of workshops and seminars will have been held to closely review these issues and provide recommendations to the CSD Ad Hoc Working Group.

The first seminar, sponsored by the Organization of American States (OAS), was held September 20-21, 1993, and focussed on hemispheric technological co-operation. One of the more intriguing aspects of the meeting was the avowed intention of a number of Latin American and Caribbean countries to aim for a "California level" of environmental regulations - which are some of, if not the strongest regulations in North America - for their intended industrial installations. This was in anticipation of an expanding North American free trade zone within the next decade.

Delegates to the seminar called attention to a number of factors inhibiting the transfer of environmental technologies and proposed methods for their alleviation:

- new funding mechanisms that specifically address technology transfer;
- information centres and networks;
- training programs to develop environmental professionals and managers;

- technical assistance for evaluation and application of technologies; and
- a regional co-ordinating agency for technology transfer.

On October 13-15, 1993 the UN Conference on Trade and Development (UNCTAD) and the Government of Norway hosted a workshop in Oslo on the transfer and development of environmentally sound technologies. The meeting addressed two broad issues identified by UNCTAD's Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer:

- issues involved in the generation, transfer and diffusion of environmentally sound technologies that have an impact on competitiveness and development; and
- policies and measures for the promotion, development, dissemination, and financing of environmentally sound technologies, particularly in developing countries.

As a result of the Oslo meeting, two concrete proposals were made:

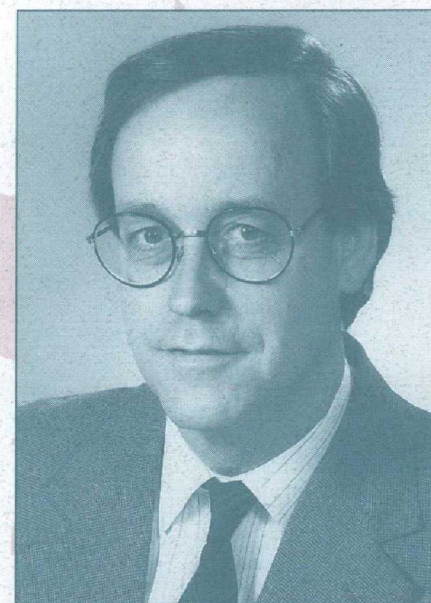
1. a new venture capital fund for greenhouse gas mitigation ; and
2. an environmental technology assessment service to be operated out of the Paris office of the UN Environment Program.

Finally, from November 17-20, 1993, representatives from appropriate geographic regions and organizations

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## Two Views on Issues of Trade and the Environment

*The trade and environment debate has often been portrayed as a contest between two polarized points of view: those of industry and environmental groups. Are these competing priorities or should they be seen as complementary? For a better understanding of the concerns of both "sides," GLOBAL AGENDA interviewed respected representatives of each. Geoffrey Elliot, Vice-President, Corporate Affairs, at Noranda Forest Inc., and Janine Ferretti, Executive Director of Pollution Probe, responded to a series of questions surrounding this debate. While readers will be left to their own conclusions, our respondents indicated that, despite fundamentally different assumptions, they share many goals and believe that there is good potential for progress. [The views expressed below are those of the interviewees and do not necessarily reflect the opinion of the Department of Foreign Affairs and International Trade.]*



**Geoffrey Elliot,  
Noranda Forest Inc.**

### Environmental standards and freer trade: complementary or contradictory?

Both environmental protection and the expansion of international trade are important public policy objectives. I am convinced that the two are indeed complementary. It is not at all necessary to damage the international trade system in order to achieve very real environmental progress at both national and global levels.

Canada is a major trading nation and close to half the goods we

produce are exported. The enormous progress achieved in improving the quality of life of Canadians during the past several decades is directly attributable to the generation of societal wealth through increased exports. Revenue from exports has provided the means to establish and maintain the high personal incomes and generous social policy infrastructure we all take for granted as part of being Canadian. So our policy-makers have a special duty to be extremely cautious about imprudent changes in trade rules that might make it easier for other countries to raise new protectionist barriers against Canadian exports.

Having said that, I believe there is enormous scope for finding international solutions to global environmental problems. The UN Climate Change Convention and the Montreal Protocol are two examples. None of these agreements are perfect, from either an environmental or a trade perspective, but they do represent progress.

### The evolution of thinking on trade and the environment

Environment and trade was not an issue five years ago. Today, environmental advocacy groups and some environmental policy

bureaucrats are pressing for changes in international trade rules to exempt trade-distorting measures from challenge if the stated purpose of such measures is to protect the environment. Some even advocate legal recourse to unilateral trade sanctions to "punish" bad environmental performance.

Canada would be a big loser if such changes were implemented because our trade dependence makes us far more vulnerable than the U.S. or the European Community. In the end such changes in trade law would only open new loopholes for U.S. special interests to protect their markets and harass their competitors. Moreover, such rule changes could provide the U.S. and the EC with the means to impose their particular environmental agendas on the rest of the world, a sort of environmental imperialism. Although these proposals for trade law changes originate mainly in the U.S. and Europe, it remains distressing that some naive but respected Canadian environmental groups also support them.

My own view is that Canada should work on two tracks. The first should be to protect the

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