

**Report on the UN-ESCAP Sub-regional workshop on the "Trade and Environment
Dimensions in the Food and Food Processing Industries in South Asia"
Colombo, Sri Lanka
6-7 September 2006**

Background

Four United Nations Regional Commissions, jointly implement the project titled “Capacity Building in Trade and Environment”. [The Economic Commission for Africa (ECA), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Western Asia (ESCWA) and the Economic and Social Commission for Asia and the Pacific (ESCAP)]

The project benefits from the support of the United Nations Environment Programme (UNEP), the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), and the United Nations Economic Commission for Europe (ECE). It aims to enhance the capacity of developing Member States to formulate coherent trade and environment policies that address issues related to environment in an effective manner, thereby increasing market access for products while enhancing environmental sustainability.

Project activities in the Asia-Pacific region focus on the food and food processing sector, including agriculture, horticulture, aquaculture and fisheries, and food processing. In this connection, this Sub regional Workshop in South Asia aimed at exchanging national experiences within the South Asia region and making recommendations from a sub regional perspective.

Participants: Representatives each from the Commerce Ministry (MoC) and Environment Ministry (MoEF) of all the nine countries. (Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan & Sri Lanka) However from India, only MoC representative (Prasanna Dash, Joint Secretary) was present. Other than these officials, there were representatives from Food Industries (from Sri Lanka) and from organisations like United Nations Development Programme (UNDP), South Asia Watch on Trade Environment and Economics (SAWTEE), Institute for Policy Studies (IPS) & South Asia Co-operative Environment Programme (SACEP).

Highlights

- Analysed the trade and environment dimensions of the food and food processing industries in South Asia, and identified the good practices and lessons learned across the region.
- Compared and discussed the various government policies and private sector strategies currently in place in the concerned countries to improve both the export competitiveness and the environmental sustainability of food and processed food production.
- There was greater participation through out the two-day long workshop. Particularly, there was an overwhelming participation from Sri Lanka.
- The industry representatives of Sri Lanka made informative presentations on the two major export interest of Sri Lanka – Tea and Prawns.
- Other than the presentations made by the Ministry representatives, Consumer Unity & Trust Society (CUTS) and SAWTEE were also given the opportunity to present its paper.

- Various publications of CUTS related to trade and environment were distributed among the participants. After going through our works, few of them (from Ministry of Industry and Trade, Turkey, Ministry of Health, Sri Lanka, Ministry of Trade and Industry, Bhutan etc.) have asked us to send related publications/newsletters/reports etc. to them in future.

Lowlights

- All except few participants, particularly from the Ministry side, were showing least interest to the presentations made by other countries. They also hardly participated in the discussions.
- The representative from MoEF, India didn't turn up for the workshop and the representative from MoC attended only the second day. Most of them felt that their participation was more important to raise the concerns of the South Asian region.

Lessons Learned

- Environmental and health-related standards are becoming increasingly important non-tariff barriers for food and food-processed products.
- There is a need for raising awareness among the producers in the region, who lack awareness and information on prevailing standards in their major export markets. Even if information is available, they lack the knowledge to understand the standards and their implications.
- The “grow first, clean-up later” approach is no longer the solution, especially for countries in this region.

Miscellaneous

- The workshop highlighted the fact that for many countries export of processed food has emerged as a new dynamic sector with great export potential. This changing and growing demand provides significant opportunities for growth in exports in food and food processed products from the region, including organic agriculture. In India for example, although accounting for a relatively small share in exports, the size of the semi-processed and ready to eat packaged food is over US\$ 1 billion and it is growing at over 20% a year.
- Some specific recommendations were made at the workshop to improve the competitiveness and environmental sustainability of the food and food processing industries, and to increase market access in global and regional markets. Like,
 - a) Improve dissemination of standard-related information to all domestic stakeholders, including notifications under the WTO and other Agreements and information received from international standardization bodies.
 - b) Raise awareness of producers on environmental impacts of their activities, and strengthen laws and regulations in this area as well as their enforcement.

Simultaneously raise the awareness of the consumers regarding eco-friendly products.

- c) Strengthen national and regional institutions to conduct risk analysis, environmental impact assessments and testing; monitor enforcement of standards and carry out certification, including organic certification.
- d) Promote the use of Environmental Impact Assessments (EIA) and similar tools, to evaluate the environmental impacts of key industries, and promote cleaner production.
- e) Major trading partners to overcome the constraints that producers face in complying with their import requirements, especially in the area of proof of compliance, including certification, should provide financial and technical assistance. Special attention should be given to small holders and SMEs, which represent an important economic and social sector.
- f) Harmonization, equivalence and mutual recognition of standards should be promoted.
- g) Participation of developing countries in international standard setting should be encouraged and facilitated.
- h) Promote research and development at national and regional level, in particular in agriculture and environment.
- i) Promote and develop value addition and branding of key products.
- j) Promote and encourage the use of management tools, such as Good Agricultural Practices (GAP), or Good Harvesting Practices (GHP).