

# ENVIRONMENTAL GOODS AND SERVICES: POSSIBLE APPROACH ON TRADE LIBERALIZATION

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## POTENTIAL BENEFITS OF TRADE LIBERALIZATION for EGS 's SECTOR

### Environmental benefits:

- ◆ Improved access to environmentally sound technology
- ◆ Cost-effective environmental protection
- ◆ Increased capacity to accomplish international standards and requirements
- ◆ Enhances environmental investment in pollution management, prevention and control to comply with national regulation
- ◆ Pollution control and efficiency in resource management

## POTENTIAL BENEFITS OF TRADE LIBERALIZATION for EGS 's SECTOR

### Economic benefits:

- ◆ National industry increased competitiveness and access to international markets
- ◆ Costs saving in environmental technologies and know-how acquisition
- ◆ New export opportunities
- ◆ Comply with sustainable development objects
- ◆ Improved social wealth

## National environmental policy and regulation – enhancing “environmental industry”

Colombia 's environmental policy and regulation has been oriented towards:

1. Clean Production sectoral strategies
2. Mkt-based instruments for waste water, water consumption, climate change and conservation incentives (CIF-c, CIF-f)
3. Environmental investment incentives - tax abatements
4. Promotion of environmentally preferable products through eco-labeling and “Green Markets Strategy” that encompasses the Biotrade Initiative

## National environmental policy and regulation – enhancing “environmental industry”

Factors affecting environmental industry in Colombia:

- ◆ Advanced regulation and resource management legislation – (enforcement...?)
- ◆ Environmental licensing for productive activities
- ◆ Existing national environmental system
- ◆ Recently, public sanitation and water management policy and administration assumed by the environmental authority

Comparatively speaking, Colombia has a relative advantage in the region that turns to be a commercial opportunity

## Definitions and Classifications – Issues and problems

Definitions and classifications should comply with national environmental policy, in the case of Colombia, we would be looking forward to include products that allow:

- ◆ from end-of-pipe solutions → pollution prevention (clean technologies incorporation)
- ◆ Give mkt access to biodiversity products coming from protected areas and boundary settlements (exotic fruits from amazons, the pacific forests, non-wood forest products, etc)

## Definitions and Classifications – Issues and problems

- ◆ Multiple-use products
- ◆ Embedded technologies
- ◆ A big % of APEC and OECD proposed products are end-of-pipe technologies
- ◆ Dual motivation: for environmental purposes and process control strategies
- ◆ WTO rules compliance regarding “like products” tariff differentiation

## Gains from trade and export opportunities

### ENVIRONMENTAL SERVICES

Adjustment of W/120 necessary in pursuant to catching-up with increased environmental responsibility, performance and requirements as well as with increased competition of service provision

Colombia´s trade liberalization opportunities are related with:

- ◆ Exporting environmental damage and strategic assesment services, auditing and consultancy on cleaner technology adoption and pollution control and remediation (specially regarding oil spills in water and soil).
- ◆ Other “related” services like managerial, engineering know-how, design, etc
- ◆ Renewable energy provision
- ◆ Natural resources management

## Gains from trade and export opportunities

### ENVIRONMENTAL GOODS

- ◆ Cost reductions in environmental technologies, equipments and materials for resource and pollution management, pollution monitoring and control → this will encourage private investment to comply with national regulation and promote pollution prevention and substitution of polluting technologies.
- ◆ Increased competitiveness in national and international markets

## Gains from trade and export opportunities

### ENVIRONMENTAL GOODS

- ◆ Colombia has a large potential on biodiversity production supply related with:
  - ◆ Non-wood forest products (dyes, natural rubbers oleoresins, fibers, seeds, condiments, TK medicines, esencial oils, etc.)
  - ◆ Tropical certified woods
  - ◆ Exotic plants and flowers
- ◆ Internally discussions are been held aiming for a proposal that facilitates mkt access for this kind of products, avoiding new NTB related to them

## SEEKING BALANCED NEGOTIATIONS

For developing countries, a balanced negotiation has to take into account:

ESs:

- ◆ Mode 3 and 4 critical for trade enhancement
- ◆ Quality evaluation and mutual recognition of labor qualifications regarding service provision
- ◆ Visas and cross-border permits result a clear NTB for market access in mode 4



## SEEKING BALANCED NEGOTIATIONS

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EGs:

- ◆ Negotiators have to avoid criteria to include EPP's, particularly those regarding sustainable use of biodiversity, become higher and more complex NTB's for market access.
- ◆ Ecological agriculture has to be thoroughly analyzed: we are not yet prepared!



# THANK YOU

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