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Enhancing Sustainability in Global Trade: Stakeholder Perspectives on Environmental Impact Assessment

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Abstract

Environmental impact assessment (EIA) is critical for raising awareness and aiding global decision-making in development projects but is rarely used in the context of trade policy. The present paper seeks to identify the differences in the design and use of EIA for international trade across the actors that carry out EIA systematically and to understand why the number of actors is low, using stakeholder interviews and thematic analysis as a primary research tool. Eight semi-structured interviews with stakeholders at multiple levels were conducted, of which eight were qualitatively analysed using case studies and stakeholder engagement. Thematic analysis of the interview data revealed a lack of a systematic approach to the design of environmental impact assessment in international trade and no systematic approach was observed in any developing country. The findings from this study provide valuable insights for policymakers and stakeholders in refining and enhancing the role of Environmental Impact Assessments in shaping environmentally sustainable trade agreements.

Keywords

Environmental impact assessment, trade agreement

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1. Introduction

Environmental impact assessment (EIA) is critical for raising awareness and aiding global decision-making in development projects. Similarly, some countries recognise the use of EIA in the context of trade agreements to identify environmental effects that may arise from a particular trade agreement. Previous research, by the same authors, found that few countries currently perform EIA for trade agreements systematically, with the total standing at 5 (if the EU is considered a single bloc).

In the context of international trade, EIA is rarely, if ever, performed by a sole actor (Bui et al., 2023). Throughout the EIA process, there are numerous stakeholders involved. Often, these include consultants, advisors from academia, business groups, civil society organisations, state government agencies and the general public, all of which have a role to play in assessing the environmental impact of a trade agreement.

The present paper seeks to identify the differences in the design and use of EIA for international trade across the actors that carry out EIA systematically and to understand why the number of actors is low, using stakeholder interviews and thematic analysis as a primary research tool. In support of these interviews, we pull additional knowledge from the surrounding literature to validate and build on the findings.

In section 2, our data collection and analysis methodology are revealed, and our sample distribution is presented. In section 3, the themes identified within interview transcripts are presented. In section 4, they are discussed and validated using existing literature, and in section 5, we present our conclusions and recommendations.

2. Methodology

The present research follows a qualitative approach to assess the design and use of environmental impact assessment in international trade, based on semi-structured interviews with stakeholders at multiple levels and, subsequently, a thematic analysis of the interview data.

2.1 Data Collection

Semi-structured interviews are a commonly used method in qualitative research (Smith, 1995) (Horton et al., 2004) and in this research, the flexible and free-flowing nature of interviews is beneficial due to the range of backgrounds and positions held by interview participants. Due to the global scope of this research, semi-structured interviews also allowed the interviewer to be more culturally sensitive and to triangulate findings. In other words, findings from one interview were sometimes verified or refuted.

The interview guide was designed in such a way as to understand more about the following: 1) The EIA process and feedback to trade negotiations, 2) the definition and standardisation of assessment criteria, 3) How assessment criteria are affected by those involved, 4) Why countries do not carry out systematic EIA for trade agreements. Hence, the interview guide was broken into these sections, each with relevant 'main questions' to stimulate conversation and additional 'probing questions' should it be felt that participants did not provide enough information. The full interview guide can be viewed in the Annex.

Interview participants were chosen following a previous literature review. Where authors were noted in EIA reports covered by the initial working paper, they were contacted by email, phone, or LinkedIn. This approach was most successful in contacting individuals involved in EIA for international trade agreements in a consulting capacity. In cases where EIA-related reports had been published without an individual author, organisations were contacted through departmental contact emails and followed up by phone. Snowball sampling was also employed. Interview respondents were asked for additional experts that would be available and useful for the research. Figure 1 highlights the countries with EIAs associated with trade agreements and their numbers as of 2023. It should be noted that the UK is considered separate from the EU. Hence the number of EIA shown is low due to the relatively short time spent outside the EU.

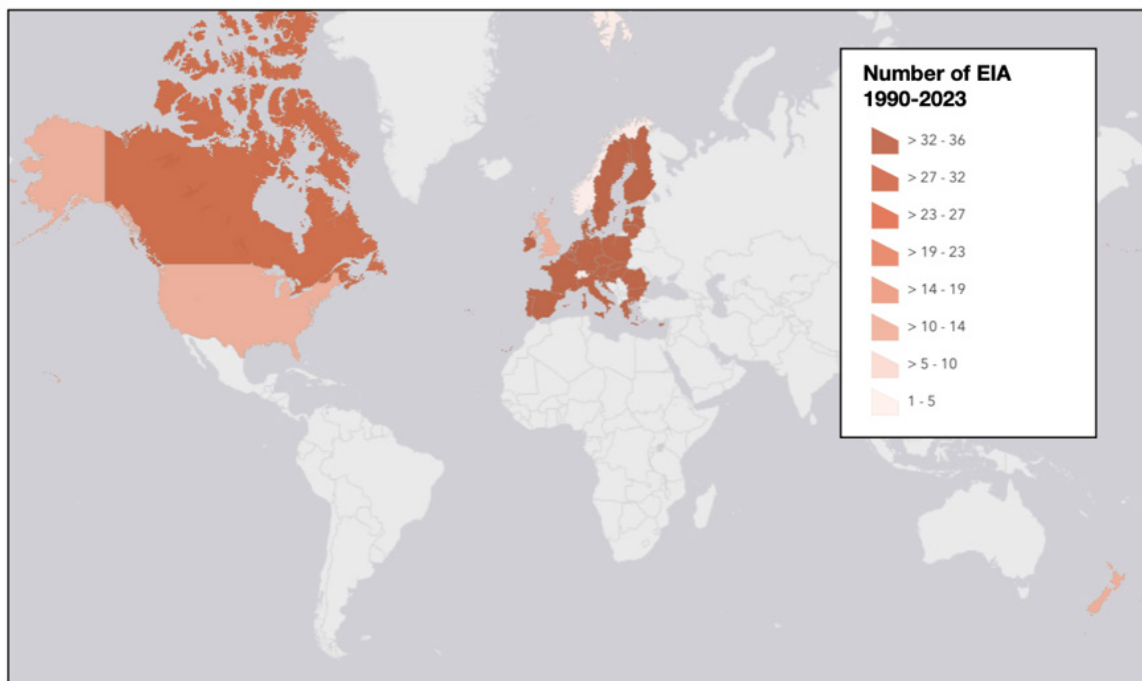


Figure 1. Map showing countries that conduct EIA for trade agreements systematically as of June 2023 (Bui et al., 2023).

Participants were selected and contacted using purposive sampling to help ensure the collected data was representative of the following groups: international organisations, regional organisations, developed countries, developing countries, non-governmental organisations, and corporate business groups and unions. Over one hundred potential participants were contacted, of which eight semi-structured interviews were carried out. In two cases, participants were not available for interviews but could provide information through an online questionnaire, which was designed to complement the interview guide, bringing the total number of responses to ten. The questionnaire results were treated the same way as interview transcripts.

The ten respondents covered the following groups: regional organisations (notably, the EU), developed countries, developing countries, non-governmental organisations, and academia. Authors of EIA-related reports produced by international organisations, including the OECD and UNEP, that were contacted, either were unable to participate in research or did not respond. Figures 2 and 3 highlight the type of organisation and stage in the EIA process that participants are associated with. The participants have been coded to maintain anonymity.

Regional Organisations	Developing countries	NGOs	Developed countries
P1 - Consultant, 30+ years experience	P4 - Senior Research and Policy Analyst, 20+ years experience	P4 - Senior Research and Policy Analyst, 20+ years experience	P1 - Consultant, 30+ years experience
P4 - Senior Research and Policy Analyst, 20+ years experience		P3 - Chief of Party, Advancing Capacity for the Environment (ACE), 20+ years experience	P2 - TPAC Committee Member, 20+ experience
P5 - Senior Trade Officials, combined 70+ years experience			P6 - Consultant, 15+ years experience
P6 - Consultant, 15+ years experience			P7 - Academic, 30+ years experience
P8 - Consultant, 15+ years experience			

Figure 2. Distribution of interview participants by organisation type

Screening	Scoping	Economic Assessment	Environmental Assessment	Mitigation	Public Participation	Reporting and reviewing
Inception Report		Interim Report (Impact Analysis)		Final Report		
	P5 - Senior Trade Officials, combined 70+ years experience	P1 - Consultant, 30+ years experience	P7 - Academic, 30+ years experience			P5 - Senior Trade Officials, combined 70+ years experience
			P3 - Chief of Party, Advancing Capacity for the Environment (ACE), 20+ years experience			
			P4 - Senior Research and Policy Analyst, 20+ years experience			
		P2 - TPAC Committee Member, 20+ experience				
	P6 - Consultant, 15+ years experience					
	P8 - Consultant, 15+ years experience					

Figure 3. Distribution of interview participants by the EIA phase they are involved in.

2.2 Data Analysis

Interviews took between thirty minutes to one hour and were conducted remotely using Microsoft Teams to record, and Otter.ai, an AI transcription tool, was used to transcribe the interviews. These transcripts were then analysed using thematic analysis, a commonly used approach for qualitative data analysis, where researcher subjectivity and interpretation of the data are used as an analytical resource for knowledge generation (Braun & Clarke, 2012). The data were categorised into codes, which were iteratively refined while keeping the initial research questions in mind, allowing recurring themes to be identified. This was done by hand, using highlighters to code interviews and produce summaries for each transcript to enhance the researcher's understanding of the data. The thematic analysis and results of the interviews are also supported by further research and a review of the literature around specific topics mentioned by participants. This further aided the researchers' understanding and enhanced the recommendations made in this paper.

3. Interview Observations

After coding the interview data, five main themes were uncovered. These include the impact of EIA on its associated trade agreement, developing countries as actors for EIA, adaptability of environmental criteria considered in an EIA, the degree of numeracy, and non-governmental actors for EIA. In the following sections, each theme is discussed, along with the relevant sub-themes.

3.1 Impact of EIA on its Associated Trade Agreement

One of the recurring themes surrounding EIA for trade agreements is its ability to fulfil the public relations requirement of considering environmental and sustainability factors. However, interviews revealed some negative perceptions regarding utilising EIA findings. For some participants, EIAs were seen as mere formalities or 'box-ticking' exercises.

“I think the number one criticism is that sometimes they're seen as epitaphs... then it just sits on the shelf.” - P3

“very few politicians are going to base their vote on the EIA, if any” - P2

“if it [EIA] gets to the point where it's mandatory for a trade agreement to happen, that's a great way to get that [more EIAs done], but it shouldn't be to the extent where it's just used a tick box” - P4

Despite this scepticism, others recognised that the true value of an EIA lies in the process itself rather than solely in the final report.

“their biggest value is in the process of doing the environmental impact assessment, not so much the document or the findings that EIA contains within it” - P3

In certain regions, such as the United States and the European Union, stakeholders in trade agreements actively participate through positions on trade and policy committees and civil society dialogues. This level of involvement allows stakeholders to communicate and incorporate environmental considerations throughout the negotiation process. Public participation emerged as a consensus among all interview participants as a critical step in the EIA process. They emphasised that increased stakeholder involvement would enhance awareness of environmental issues, thereby exerting greater pressure on politicians to utilise the findings obtained from the EIA responsibly.

3.2 Developing Countries as Actors for EIA

Eco-colonialism, the historical and ongoing exploitation of developing countries' natural resources and environments by economically powerful nations (Crowe & Shryer, 1995), was highlighted as contributing to resistance against Environmental Impact Assessments (EIAs) in these nations.

“This was an issue back in the 90s... I think the problem back then, which is probably the problem now, was this fear of eco-colonialism. This sense that developed countries are going to use environmental protection as a pretext for limiting what developing countries can do with their resources. My sense is that's still the case if there are essentially no developing countries that do this.” - P2

During interviews, three participants highlighted this issue under various terminology, expressing concerns that EIAs might be perceived as instruments dominant countries use to further their interests at the expense of developing nations. This sense of distrust towards EIAs can hinder their acceptance and effectiveness as environmental assessment tools in developing countries.

Furthermore, developing countries may question the relevance of conducting EIAs due to their limited influence on trade agreement terms. As these nations often have little control over the conditions of trade deals, they may view EIA findings as having limited practical value during negotiations. Consequently, scepticism arises about whether the assessment outcomes will be appropriately utilised or considered in trade-related decision-making processes. To encourage developing countries to undertake EIAs, some interviewees suggested demonstrating the link between the environment and Gross Domestic Product (GDP), and emphasising the significance of natural capital. By showcasing the economic importance of their natural resources, these nations can better appreciate the potential benefits of conducting EIAs and incorporating environmental considerations into their policy decisions.

“we have to make a case between environmental protection and sustained economic growth...” - P4

While there were mixed views on a capacity problem for EIA in developing countries, all interviewees acknowledged the significance of the resourcing challenge. The lack of adequate resources significantly hinders systematically conducting EIAs in these nations. To overcome this limitation, providing financial support and resources could enhance the effectiveness of EIA implementation. P3 proposed establishing “an EIA support facility funded by the UN, World Bank or IFC, that supports different countries to do EIAs for trade agreements”. A further interview revealed that work of this nature is ongoing within the Trade Policy Hub at LSE Consulting, London.

The lack of adaptive capacity in developing countries means they may struggle to address impacts identified through EIAs, if they even have the capacity to do them in the first place, leading to a perceived low value in conducting assessments. To address capacity challenges, the Trade Policy Hub at LSE is working on simplifying EIAs for developing countries and offering tools for independent implementation. These efforts can significantly contribute to building EIA capacity in these nations and empower them to consider environmental impacts in their trade decisions.

Moreover, a lack of consistency and integration among government ministries in developing countries can hinder the effective implementation of EIAs. In certain cases, trade and foreign policy ministries may not be well integrated, especially when they are led by opposing political parties. This lack of coordination makes it difficult to incorporate environmental considerations consistently into trade policies and negotiations.

Developing countries tend to prioritise social issues over environmental concerns, as they often face pressing challenges related to poverty, healthcare, and education. As a result, their attention may be more focused on immediate social needs rather than long-term environmental considerations. Integrating social and environmental factors into EIAs can help bridge this gap and demonstrate how addressing environmental issues can contribute to social and economic development in the long run. Interviews revealed willingness and interest in EIA among environmental experts in developing countries. However, a general lack of understanding regarding how environmental considerations can impact the economy may hinder the broader adoption of EIAs in policy and decision-making processes. However, the exception to this is the AfCFTA Secretariat, who have done a partial EIA for their trade union and who, according to P6, plan to do a full multilateral EIA.

EIAs can facilitate the transfer of impacts from one economy to another, often affecting developing countries disproportionately. For example, certain negative consequences may be overlooked in an EIA, shifting them to vulnerable economies and presenting a misleadingly positive picture for the economies directly involved in the assessment. P1 highlights this concerning his criticism of the CGE model, “this raises the question, what is the relative environmental efficiency across the world? If you’re shifting impacts into economies that are less capable of dealing with those, you’re getting a worse outcome than if you yourself can become cleaner.”

3.3 Adaptable Criteria

The most significant observation during all interviews was that the selection of environmental criteria should not be standardised. Instead, they advocated for a flexible and context-specific approach, wherein the environmental criteria used in each EIA are tailored to the issues most relevant to the particular trade agreement and country involved. This approach was considered crucial to ensure that EIAs effectively address the unique environmental challenges associated with each trade agreement and the specific context of the participating countries. Building on this, one participant highlighted that criteria should also consider transboundary issues such as the effect on migrating bird species.

Moreover, participants highlighted the importance of the screening stage in the EIA process, emphasising its role in identifying the most critical criteria areas, such as biodiversity, climate change, and waste. P7, an environmental impact assessment expert who has worked on several Environmental Reviews in the US, said, “There should probably be some umbrella [criteria]... if they’re going to inform their negotiations well, we’ll need to get more country-specific”.

One participant highlighted the importance of a systems thinking approach. P3 said, “Everything’s interconnected, right? So, it’s very hard to zoom in on water quality without considering the impacts on biodiversity”. 6 out of the 8 participants suggested that a core set of key criteria should be covered in every EIA, with additional criteria included as necessary. However, they did not specify which additional criteria should be considered, leaving the determination of such criteria dependent on the availability of more data and information.

Participants were asked if the Sustainable Development Goals (SDGs) could be used as criteria to help inform the EIA. While some believed that EIAs should not be directly tasked with assessing SDG progress, others proposed integrating SDG assessments as part of the EIA process. Those advocating for integration emphasised the need for coherence and alignment between trade agreements and sustainable development objectives. Integrating SDG considerations into EIAs was seen as a way to promote an inclusive, balanced environmental assessment and policymaking that supports sustainable development objectives.

3.4 Degree of Numeracy

The standard Environmental Impact Assessment (EIA) approach has conventionally involved quantitative assessment through Computable General Equilibrium (CGE) modelling. Interviews revealed that some actors might use Partial Equilibrium (PE) modelling for in-depth analysis of specific sectors. P6 highlighted the importance of PE modelling when doing an EIA for a trade agreement between the EU and Japan for identifying the CO₂ emissions arising in specific sectors of the economy. It is evident from the interviews that CGE modelling serves as an indispensable initial step in conducting quantitative assessments.

Ensuring up-to-date CGE models is crucial to avoid basing assessments on outdated technological configurations in modern trade agreements. For instance, the GTAP 11 models offer capabilities to incorporate greenhouse gas emissions, land use changes, and biofuel usage directly within the model, thereby enhancing the accuracy and relevance of the quantitative analysis. It was noted during interviews with economic modelling specialists that there is a challenge in using up-to-date models due to the length of time negotiations take, from the inception of a trade agreement to the ratification of it, as this time is typically in years rather than months.

Another drawback of CGE modelling lies in the complexity of precisely pinpointing the location of an impact. P5 noted the need for multiple models to be stacked on top of each other to identify the specific geographical location of an impact. Challenges

also arise from data availability and quality, especially in some regions, and this issue is particularly acute in developing nations. Furthermore, certain aspects of environmental impact may prove difficult to quantify, as exemplified by P1's reference to the challenge of quantifying the environmental impact of biodegradable toilet paper due to a lack of relevant data. Consequently, integrating qualitative methods is deemed essential by all interview participants, who prefer mixed methods to achieve a comprehensive and balanced assessment.

For qualitative analysis, the most effective approach appears to be gathering case studies and extensively engaging stakeholders, whether through stakeholder interviews or open forums such as the EU's Civil Society Dialogues. Participants frequently emphasised the value of environmental Non-Governmental Organisations (NGOs) in providing valuable information and enhancing the depth and accuracy of qualitative analysis, although no participants highlighted specific organisations.

Overall, the insights gathered from the interviews indicate the importance of adopting a mixed methods approach in conducting EIAs, emphasising utilising up-to-date CGE models for quantitative assessment, while complementing it with qualitative methods, such as case studies and stakeholder engagement. Integrating the expertise of NGOs proves valuable in supplementing the information required for comprehensive and well-informed environmental assessments. These findings contribute to advancing the effectiveness and relevance of EIAs in understanding and mitigating the environmental impacts of trade agreements.

3.5 Insights on the Role of Non-Governmental Actors for EIA

Various non-governmental actors, consultants, international organisations, NGOs, and lobby groups play significant roles. One prevailing observation is the involvement of consultants in Strategic Impact Assessments (SIAs), where they are often tasked with specific components of the EIA. However, there are concerns that this subcontracting practice could lead to increased control distancing from the European Union (EU) and potential inconsistencies within the final EIA report. Furthermore, the person responsible for CGE modelling, a critical quantitative aspect of EIAs, is typically not the environmental expert, highlighting potential challenges in bridging technical and environmental expertise. This was found to be the case for several EU SIA studies and work done to produce Environmental Reviews in the US.

During the interviews, all participants emphasised the importance of guidelines from international organisations and NGOs in the EIA process. However, the perceived usefulness of these guidelines varies depending on the country and its systematic use of EIA for trade agreements. Some countries that conduct EIAs systematically might have little interest in strictly adhering to international guidelines, while others find them more beneficial. Also, developed countries may perceive the United Nations (UN) as primarily serving developing nations, which leads to less pressure to conform to UN guidelines. As mentioned in the previous section, participants acknowledged that environmental NGOs are valuable in providing data to support the EIA process rather than guiding it directly.

In the context of EIA processes, valuable insights were provided by participants advocating for enhanced collaboration between international organisations and specific governments to produce tailored guidelines. This recommendation was inspired by the acknowledged high quality of the guidelines developed by the Organisation for Economic Co-operation and Development (OECD). Such collaboration can facilitate the creation of effective and contextually relevant guidelines, ensuring that EIAs align with national priorities and regulations. Including independent and credible actors such as NGOs, in the EIA process which enhances transparency, and public perception of the assessment's legitimacy was raised in many interviews.

A noteworthy point raised during discussions was the credibility gap in certain countries with high levels of corruption, where non-governmental organisations (NGOs) are viewed as more overseeing entities, thus highlighting the significance of independent and reliable actors in the EIA process to ensure transparency, objectivity, and public trust. Another point is the importance of fostering partnerships between international organisations and governments to co-create tailored guidelines for EIAs. These guidelines should be informed by best practices and international standards, such as those developed by the OECD, while considering the unique national context.

Furthermore, the interviews revealed the involvement of lobby groups in the EIA process, which was generally viewed positively

by all participants. Some participants even suggested that lobby and business groups should be able to influence the criteria used in an EIA, provided the process is transparent and fair. For instance, the European Union engages in civil society dialogues and reports on their outcomes, fostering openness and inclusivity. In the United States, lobby groups hold a substantial role in influencing the trade agreement, which naturally impacts the EIA process, but not to the extent that foul play becomes a concern. The idea of encouraging businesses to conduct EIAs for trade agreements to strengthen their Environmental, Social, and Governance (ESG) commitments was also brought up. Aligning this notion with the challenge of lacking product-specific data, businesses could produce simplified EIAs for various trade scenarios, enhancing their ESG commitments while providing government ministries with essential environmental data for trade agreement EIAs.

4. Discussions

The outcomes of this research have provided interesting insights into the five areas reported above. However, the results should be interpreted cautiously due to interview-based research limitations. Most interview participants spoke personally, providing their thoughts and feelings about certain processes. This section reflects the results section, using the author’s ideas and existing literature to build on and validate claims made during interviews.

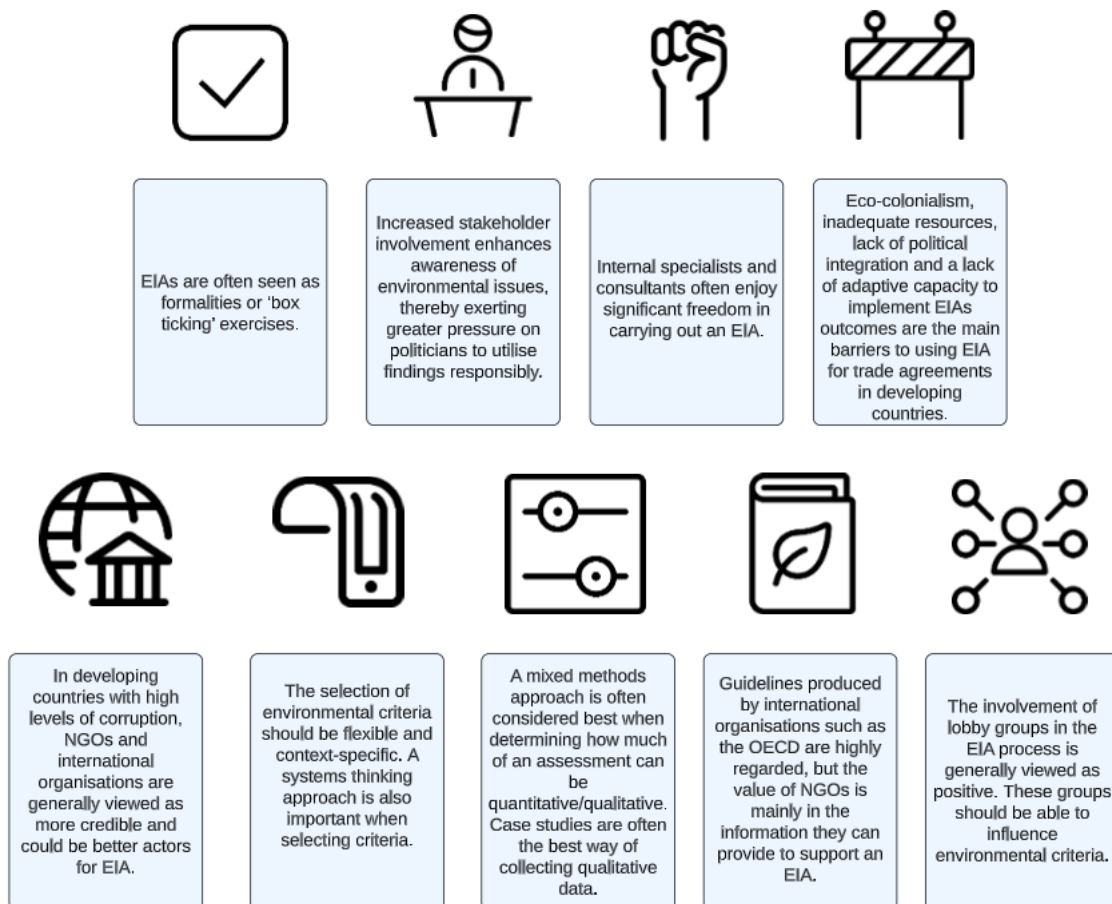


Figure 4. Diagram showing most notable observations recorded during interviews.

4.1 Feedback of an EIA to Trade Policy

The interview findings reveal a consistent perspective in countries systematically conducting Environmental Impact Assessments. EIAs are perceived as a crucial legal prerequisite for trade agreements. The analysis conducted in the initial working paper, by the same research team (2023), emphasises that these EIAs are sometimes important prerequisites for trade agreements. The present paper finds that their value mainly lies in the comprehensive process rather than solely in the final report produced at the project's conclusion.

Moreover, the interviews indicate that the environmental impact of trade policy is often relatively minimal. EIA stakeholders are often fully cognizant of this aspect, which may account for the limited subsequent utilisation of the EIA reports. These insights have critical policy implications, highlighting the need to focus on the meticulous implementation of EIA processes as an integral part of trade policymaking. The participants emphasised the importance of public participation in the EIA process unanimously. Increased stakeholder involvement was seen as instrumental in raising awareness of environmental issues and exerting pressure on policymakers to utilise EIA findings effectively.

Further to the interviews conducted, a paper reviewing the literature on the trade-climate nexus (Balogh & Mizik, 2021) found that EIA for trade agreements could be a useful way to help countries ensure their trade policies protect human, animal, or plant life, or are linked to the conservation of exhaustible natural resources. When these measures are ensured, WTO members are allowed greater trade liberalisation and are not required to adhere to GATT Article XX. This idea is also supported by the International Institute for Sustainable Development (iisd.org). According to these experts, trade barriers are the primary impediments to the global dissemination of low-carbon energy technologies and related services. Recognising this, EIAs conducted for trade agreements could play a pivotal role in generating positive and cumulative effects on the environment and climate change. By addressing these trade barriers, EIAs have the potential to foster the widespread adoption and transfer of low-carbon technologies, thereby contributing significantly to mitigating climate change impacts on a global scale.

To summarise, the current influence of an EIA report on trade policy appears minimal. Trade policies are often negotiated concurrently with an ongoing EIA process. Nevertheless, the incorporation of high levels of public participation and active involvement of negotiators in EIAs holds the promise of shaping trade policies that prioritise environmental conservation and minimise degradation. By fostering an inclusive and participatory approach, EIAs can serve as a powerful mechanism for driving sustainable trade policies that safeguard the environment for present and future generations.

4.2 Multistakeholder Engagement for Inclusivity and Transparency

The role of non-governmental actors in the EIA process was examined, with consultants, international organisations, NGOs, and lobby groups playing significant roles. While guidelines from international organisations and NGOs were acknowledged as valuable, their usefulness varied depending on the country and the systematic use of EIAs. The guidelines published by the OECD (Moisé & Rubínová, 2021), were frequently noted during interviews. While the OECD prominently represents developed nations, it is crucial to acknowledge that developing countries, especially those grappling with high levels of corruption and lack of regulations, could face unique challenges in implementing effective EIAs. In such contexts, non-governmental organisations (NGOs) could play a pivotal role in conducting or offering comprehensive guidelines for conducting EIAs. Leveraging the expertise and impartiality of NGOs can bolster the credibility and integrity of the EIA process in these regions. By strategically engaging NGOs, developing countries can enhance their capacity for sustainable decision-making, foster transparency, and reinforce environmental safeguards within their trade policies and projects. Although it is highly context-specific, to give an example, the WWF has released guidelines for conducting EIA in developing countries (WWF, 2010). This niche of guidelines could be built upon and modernised by organisations with strong relationships and experience working with developing nations, for example, The African Institute for Development Policy (AFIDEP). Improvements could encompass technological progress in CGE modelling techniques, for example, and position guidelines for use specifically by developing nations which may have less capacity.

The involvement of lobby groups in environmental impact assessment (EIA) processes can have positive and negative implications, depending on the context and the level of transparency and fairness involved. While lobby groups can bring valuable insights and perspectives to the table, they need to ensure that their influence does not compromise the integrity and objectivity of the EIA criteria.

In some countries, such as the United States, lobby groups often play a significant role in shaping policy and decision-making. This can lead to EIA criteria being influenced by the interests of these groups, potentially prioritising economic gains over environmental concerns. On the other hand, in countries like the European Union, lobby groups may primarily contribute by providing feedback during civil society dialogues, which can enhance the EIA process's transparency and inclusivity. However, we argue that when trade policies are heavily influenced by business or lobby groups, these groups risk having a greater and potentially unfair impact on environmental criteria. For instance, a business group lobbying for a trade agreement promoting timber exports may lead to the early identification of deforestation impacts in the EIA process. Yet, if another partner negotiates a tariff cut on diesel vehicles during the trade agreement negotiations, there may be insufficient scrutiny of the potential air quality and greenhouse gas emissions implications.

This reference highlights the potential for lobbying to directly impact the quality of the EIA, potentially leading to incomplete or biased assessments. A more rigorous and detailed ex-post assessment may be required to address this issue, examining the unanticipated environmental consequences, and ensuring a comprehensive evaluation of all aspects of the trade agreement.

To ensure transparency and fairness in the influence of lobby groups on EIA criteria, it is essential to establish robust regulatory frameworks and oversight mechanisms. The involvement of multiple stakeholders, including governmental agencies, civil society organisations, and independent experts, can help balance the interests of different actors and foster a more comprehensive and objective assessment process.

Furthermore, agencies responsible for conducting EIAs should maintain independence and resist undue pressure from lobby groups or business interests. Proper training and capacity building of agency personnel can enhance their ability to conduct objective assessments and consider various environmental impacts. A strategic focus on enhancing agency independence, stakeholder engagement, and post-approval monitoring can help mitigate the potential negative impacts of lobby group influence on the EIA process. EIA processes (such as ex-post assessment) can help safeguard the environment while accommodating legitimate economic and social interests by promoting transparency, fairness, and inclusivity. (Bond et al., 2019; Ogola, 2007).

While the flexibility arising from the freedom that specialists and consultants have may have benefits, it also raises concerns about the accuracy and reliability of the EIA's results. Given the absence of a universally standardised approach and the varying quality of data inputs, caution should be exercised when incorporating EIA findings into subsequent trade negotiations. The lack of a formal review mechanism to validate the EIA's conclusions further compounds this concern. To ensure the effectiveness and credibility of EIA outcomes, it becomes imperative to emphasise data quality and consider implementing formal review processes for the assessment results. This approach would strengthen the basis for incorporating environmental considerations into trade agreements more effectively. One idea is for EIA actors to incorporate inputs from reputable NGOs and civil society organisations into their EIA framework to boost public confidence and promote the integrity of the assessment outcomes.

Public participation and engagement play a crucial role in ensuring that the concerns and perspectives of local communities are considered in decision-making. EIA in trade agreements should encourage the establishment of mechanisms for meaningful public consultation throughout the EIA process, enabling community involvement and empowerment. Using the European Union Sustainability Impact Assessment (SIA) process as an example, it is well designed to help ensure community involvement (Bui et al., 2023); interviews showed difficulty in identifying the geographic location of environmental impacts resulting from trade agreements. It is, therefore, difficult for the EU, and other EIA actors, to engage with communities that will be most affected.

4.3 Overcoming Barriers Faced by Developing Nations - Boosting Capacity for Implementation, Monitoring and Evaluation

Enhancing capacity for EIA Implementation, monitoring, and evaluation in trade agreements in developing nations is important as we strive for sustainable development and effective environmental protection globally. Also, it is imperative to address these barriers that stem from resource constraints, institutional challenges, and limited technical expertise, which can impede the full realisation of the potential benefits of EIAs. To overcome these obstacles, a concerted effort is required to boost capacity in the following area: boosting technical expertise in conducting robust EIAs. This involves capacity-building initiatives, including training programs, workshops, and knowledge-sharing partnerships with international organisations geared towards empowering local experts with the tools to assess the environmental implications of trade agreements effectively.

During interviews, it was mentioned that developing nations do not do EIA for trade agreements because they do not have the capacity to deal with the problems identified during the EIA. For this reason, we argue that developed nations should carry out EIAs on a wider scale, considering effects in partner and third countries. This should have a knock on the effect of reducing environmental impacts in partner and third countries, therefore reducing the barriers for developing nations to produce their EIAs.

Another theme was that developing nations often benefit greatly from trade agreements that allow them to make economic progress. Interviews and previous research showed that a common criticism of EIA is that it may prevent certain trade agreements and slow economic progress. It is also recognised that trade agreements have little impact on the environment. We argue that promoting awareness and education on the interconnection between environmental factors and economic outcomes is essential to encourage wider acceptance and utilisation of EIAs in developing countries.

There is a need to encourage and support capacity-building initiatives that empower governments and local stakeholders to conduct EIAs effectively. Strengthening the technical expertise and institutional capabilities of national bodies responsible for conducting EIAs can improve the overall quality and reliability of the assessment process.

Further research has shown that all countries have established EIA systems for development projects. Strengthening adaptive capacity and aligning EIA practices with top-down policymaking can enhance the significance of EIAs in developing countries and improve their ability to address environmental impacts (George et al., 2001).

One idea raised in interviews was to create an 'EIA support facility', where a credible actor supports countries with lower capacity with the EIA process. Interviews also revealed that the Trade Policy Hub at LSE Consulting has internal projects to determine how a similar approach could be enacted.

4.4 Approach to Criteria Definition in Conducting EIA

The need for a non-standardised and flexible approach in selecting environmental criteria emerged as a key principle to enhance the relevance and effectiveness of EIAs in addressing trade-related environmental impacts. To be clear on the above point, participants emphasised flexibility to allow the most important criteria and indicators to be selected based on the potential impacts identified in the screening stage of the EIA. It should be noted that comparing two EIAs with varying criteria may be a challenge, especially if one EIA is highly qualitative while the other is quantitative. However, comparison is not the main reason or application of an EIA.

Additionally, the importance of the screening stage in identifying priority criteria areas was emphasised to ensure a comprehensive assessment process and the selection of appropriate criteria. Based on the discussion in subsection 2, we argue that the screening stage in an ex-ante EIA should be iterated each time the chapters of a trade agreement are modified to account for changes in a trade agreement resulting from ongoing negotiations. By prioritising key environmental criteria based on their importance and potential impacts, the screening stage allows for a more targeted and comprehensive assessment of potential trade-related environmental impacts.

The importance of a systems thinking approach was highlighted by one participant. It is common to think of the environment as a system comprising many interconnected sub-systems, and it should therefore be important that an EIA reflects this. This may also include addressing transboundary issues, such as the effects on migrating species, which are rarely assessed in EIA for international trade.

Furthermore, the potential integration of SDG assessments into EIAs offers a promising avenue to align trade policies with sustainable development objectives. These findings provide valuable insights for policymakers and stakeholders in refining and enhancing the role of EIAs in shaping environmentally sustainable trade agreements.

4.5 Methods, Tools and Approaches for the Process of EIA

Regarding the quantitative assessment aspect of EIAs, using up-to-date CGE models was recognised as crucial to avoid basing assessments on outdated technological configurations in modern trade agreements. It is often also required to use multiple models, including GGE and PE models, stacked on each other to identify the most environmentally damaging sectors of the economy and determine the geographical location of their impacts. With this knowledge, we can assume that any small errors, in input parameters, particularly in higher-level models, would compound and produce a potentially large uncertainty. We argue that this uncertainty should be estimated with care and reported on.

Data quality and availability challenges were acknowledged, particularly in developing nations; for this reason, and the reason above, a mixed methods approach, incorporating qualitative analysis through case studies and stakeholder engagement, was proposed to complement CGE modelling and enhance the comprehensiveness of EIAs.

5. Conclusions

Understanding stakeholder perceptions through an interview-based approach helped to understand the sustainability of international trade agreements, as it provides an avenue to assess the potential environmental implications of various trade-related activities and insights into the effectiveness and significance of EIA in trade agreements. The process allowed us to explore a diverse range of perspectives as the discussion provided a nuanced understanding of how stakeholders perceive the incorporation of EIA in trade agreements and its impact on environmental considerations in specific contexts. During the interviews, stakeholders shared their perspectives on the strengths, weaknesses, and challenges associated with EIA implementation, and delved into their views on the level of consideration given to environmental concerns during trade negotiations, the effectiveness of EIA reports in influencing decision-making, and the extent of public participation in the process.

The interview-based approach facilitated a candid and direct exchange of ideas, enabling stakeholders to express their thoughts, concerns, and suggestions in an open and confidential environment. This method allowed us to capture rich qualitative data, offering valuable insights into the complexities and dynamics surrounding EIA within trade agreements. As a result, we could gain a comprehensive understanding of the factors influencing the level of integration of environmental considerations in trade agreements and identify potential areas for improvement. Stakeholder perceptions also highlighted the need for enhanced public awareness, capacity-building initiatives, and stronger collaboration between policymakers and environmental experts between trading partners (states) and regions.

EIA for trade agreements is a useful way for countries to help ensure their trade policies protect human, animal or plant life or are linked to the conservation of exhaustible natural resources, which may allow them greater trade liberalisation and a higher commitment to sustainability. However, there is currently a negligible impact on trade policy from the results of an EIA report, and as a result, many view an EIA as a box-ticking exercise to satisfy a legal requirement. In most cases, trade policies are negotiated while an EIA is ongoing (ex-ante), and the high public participation and stakeholder engagement will likely result in increased awareness and, therefore, lower environmental degradation.

In stakeholder engagement, civil society organisations and business lobby groups have key roles to play in providing information to drive and implement EIAs; however, it is key that their influence does not compromise the integrity and objectivity of the EIA criteria. We recommend that proper training and capacity building of agency personnel can enhance their ability to conduct objective and transparent assessments that adhere to robust regulatory frameworks that must be established. Moreover, it

is key, especially when external consultants are involved, for government agencies to conduct a formal, internal, and publicly available review process to ensure transparency and objectivity targets have been met.

The screening stage was viewed as highly important during the interviews, a view validated by our related report (Bui et al., 2023). We recommend that the screening stage is reviewed each time a new element of a trade negotiation is proposed. This will help to take account of changes during ongoing negotiations. We also recommend selecting environmental criteria while keeping a systems-thinking approach in mind. Data quality and availability challenges were acknowledged, as well as the limitations of using quantitative data to model the environmental impacts of a trade agreement. In particular, actors should use up-to-date CGE models to avoid basing assessments on outdated technological configurations.

The findings from this interview-based assessment offer a valuable foundation for policymakers, researchers, and practitioners to foster a more inclusive, informed, and effective approach to EIA in global trade agreements. By recognising and addressing stakeholder perspectives, we can take significant strides toward promoting sustainable trade policies. As policymakers and stakeholders continue to refine the EIA process, the findings from this study can serve as a valuable guide for promoting more informed, robust, and responsible decision-making in international trade, ensuring that environmental considerations are appropriately integrated into trade agreements to achieve a more sustainable and equitable global trading system.

We reiterate that strategic collaboration can facilitate the integration of environmental considerations into trade agreements and reinforce the importance of balancing economic growth with environmental conservation. By raising awareness and promoting education on the interdependence of environmental sustainability and economic progress, we can pave the way for the wider acceptance and effective utilisation of EIAs in developing countries. Such an approach holds the potential to foster a positive shift towards sustainable development, where trade growth is achieved while preserving the environment for the benefit of present and future generations.

In the context of developing nations, strategically addressing these capacity-building aspects can help harness the potential of EIAs to promote environmentally sound trade agreements that foster economic growth and protect and preserve their natural resources. Emphasising transparency, public participation, and stakeholder engagement will be critical in shaping a sustainable future for trade pathways.

Overall, this study reinforces the need for continuous improvement and innovation in the field of EIA and how that process can positively influence international trade. By recognising and addressing the limitations of current practices, stakeholders can collectively work toward a more sustainable future where trade and economic growth go hand in hand with environmental stewardship and social responsibility. To conclude, this assessment also includes a compelling call to action for all relevant parties to collaborate in promoting responsible and environmentally-conscious trade policies that lead to a more resilient and harmonious global economy.



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Annexes

The interviews will be conducted in a semi-structured manner. This interview guide is therefore broken into four sections, each with several main questions and optional sub-questions, which may be used as needed to probe for further information. Sometimes, questions may be asked in different orders, or some may not be asked depending on the interviewee’s expertise.

Before the interview commences, participants should be asked if it is okay that the interview will be recorded and made aware that their responses will be kept anonymous, stored on the UNU-CRIS server, and used only for academic purposes.

The interview questions are as follows:

A - The EIA Process and Feedback to Trade Negotiations

1. In your view, what is the role of EIA in trade agreements, and how are they incorporated into the negotiation process?
 - a) How could EIA be further incorporated into the negotiation process?
 - b) What role do EIAs play in mitigating potential environmental impacts?
 - c) How long do you typically take to carry out an EIA?

2. How do Trade agreements impact the ability of governments to regulate environmental issues within their borders?
 - a) What are some of the criticisms of EIAs in trade agreements
 - b) How can these concerns be addressed to ensure that the process is effective in protecting the environment?
3. Do you think comparing EIAs conducted with different methodologies is valuable to help identify potential environmental impacts?
 - a) For example, comparing an ex-post assessment with an ex-ante assessment to improve the ex-ante one?
 - b) Another example is comparing an EIA for a unilateral, bilateral, or multilateral trade agreement with an EIA for a different lateral.
4. Are there any cases where the results of an EIA show environmental impacts so significant that a trade agreement should be abandoned altogether?
 - a) Can environmental degradation ever trump economic gain?
 - b) Can the same be said in developing countries?

B - Definition and Standardisation of Assessment Criteria

- 1.. What are some key environmental issues typically assessed in an EIA for a trade agreement?
 - a) How are these issues evaluated?
 - b) What is your view on using different criteria for different assessments?
 - c) How could these differences in criteria be weighted and evaluated?
2. We found that almost all EIAs are conducted slightly differently between the organisations conducting them and even within organisations. Why do you think this is?
3. How much can quantitative criteria be a part of the assessment?
 - a) How much should quantitative criteria be part of the assessment?
 - b) Is it better to focus on a few or more comprehensive or detailed criteria?

C - How Are Assessment Criteria Affected by Those Involved?

1. How do guidelines produced by international organisations and NGOs affect assessment criteria, and how are guidelines perceived?
 - a) If you were conducting an ex-ante EIA to aid upcoming trade negotiations, would you feel bound to adhere to frameworks developed by UNEP, for example?
 - b) Would the same be true for frameworks or guidance developed by the WWF or Greenpeace?
2. When consultants are used, what changes between consultants?
 - a) What is the mandate given to consultants?
 - b) Do they have free reign over methodology and assessment criteria?
 - c) How are consultants chosen?

3. What impact do business and lobby groups have on included criteria or outcomes of an EIA?

a) Do assessment criteria change because of the organisations or countries involved?

4. How is data used to assess criteria credibly?

a) What sources do you use?

b) Where sources are not transparent, how can you ensure credibility?

D - Countries not carrying out EIA

1. Currently, the number of countries doing EIA for international trade is low - just 4 (5 if you consider the EU as a single bloc) and all of these are highly developed OECD countries. Should an EIA be included by default when negotiating an agreement?

a) Who should be responsible for ensuring the EIA is done?

b) Which international organisations might have a role to play?

c) UN organisations are already quite active in this role; do you think EIA could be part of SDG policy?

d) What is your opinion on making EIA a legal requirement when negotiating trade agreements?

e) Would it be valuable to propose NGOs, international or regional organisations to take on the responsibility of conducting an EIA instead of developing countries themselves?

2. One criticism of EIA by developing countries is that it may slow or halt their economic growth. How can we encourage developing countries to carry out EIA for trade agreements?

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