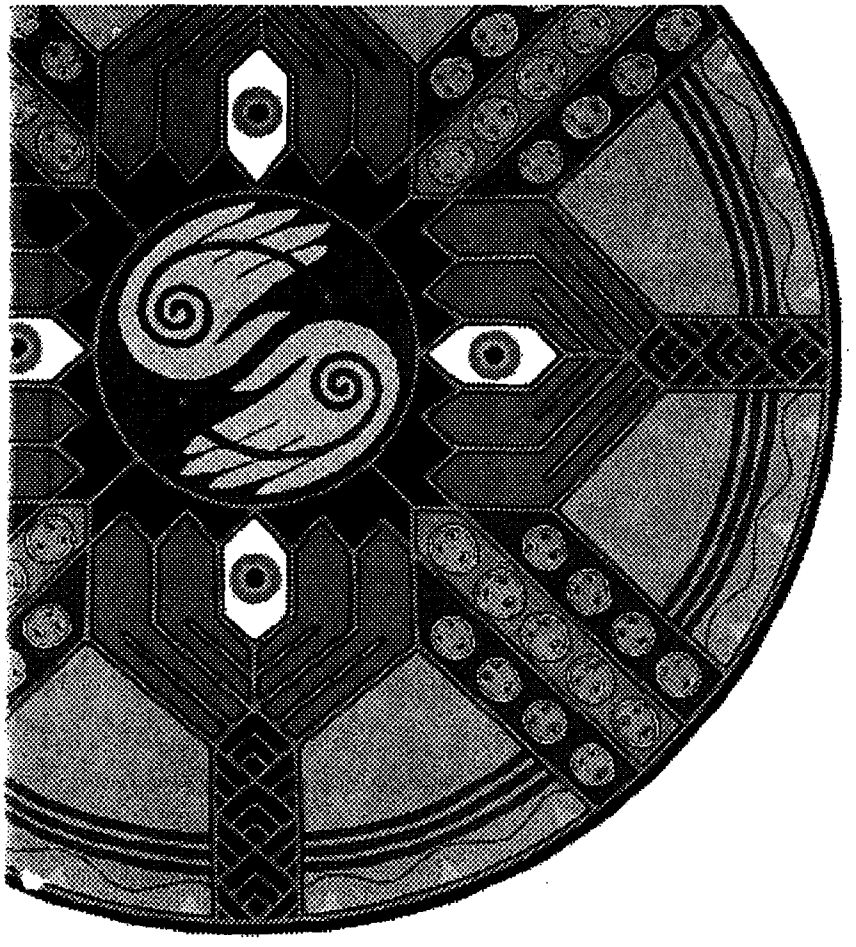

The Trade Knowledge Network Project: Capacity Building for Trade and Sustainable Development

A collaboration of the
International Institute for Sustainable Development (IISD) and
The World Conservation Union (IUCN)

Final Technical Report and Financial Statement
to IDRC, August 2000
(Centre file: 97-0214-01/03460)

. Abstract

. The objective of the project is to foster long-term capacity to address the issues of rade and sustainable development in developing country research institutions, non-;overnmental organizations (NGOs) and governments, through increased awareness, :nowledge and understanding of the issues.

2. The project had three inter-related streams. The first aimed to strengthen capacity in ;overnments, research institutions and NGOs in selected partner countries to address he issues of trade and sustainable development. The audience was varied: policy nakers in trade and environment ministries, environment and development NGOs, research institutes, business and academia. In each country there was a collaboration with a *research partner*, which produced a case study on trade and sustainable development in its country/region. The studies surveyed the most salient sectors of interest, forecasting where there might be the most need for action at the domestic level. They also went into greater depth on two or three specific sectors or goods as case studies.

3. These papers, as well as other commissioned workshop materials, were then the basis for workshops in each partner country, bringing together some or all of the audience groups described above. In each country a *workshop organizer* (in some cases this was the research partner) helped in this effort. The workshops were intended to highlight the results of the research, to raise awareness and interest in the issues, and promote a desire and ability to strategically assess the country's national interests and act accordingly.

4. The second stream focused on research on cross-cutting themes of international applicability, which supplemented the country-specific research papers. The project produced a series of five research papers on key topics of interest in the trade and sustainable development debate. These, often in the persons of their authors, became part of the body of workshop materials.

5. The third stream of the project was the construction and maintenance of a knowledge network on trade and sustainable development. The major collaborators consolidated the existing information available on line, added to it where gaps existed, and linked the research partners with each other and others via the Internet under a single umbrella. The research partners received training and assistance as necessary in order to allow them to maintain web pages containing their own work, and access the work of others.

6. The first phase of the project, spanning from November 1997 to June 2000, involved research partners in six developing countries/regions (Argentina, Central America,

China, Pakistan, South Africa and Vietnam). Further phases are envisioned, and funding is currently being sought for a second phase of the project.

7. The major collaborators in the project were the International Institute for Sustainable Development (recipient institution) and the World Conservation Union (IUCN). Other institutions, such as the North-South Institute, the International Centre for Trade and Sustainable Development, and the World Business Council for Sustainable Development, also collaborated in various capacities.

2. Research Problem

The country level researchers initially were to work on three hypotheses:

1. There are exports of significant economic and political significance to the country which are vulnerable to trade measures based on environmental considerations.
2. There are imports flows which pose significant environment/development risks, control of which is difficult under current trade rule obligations.
3. There are significant opportunities for policies which address such problems while advancing sustainable development.

This focus shifted somewhat in response to an assessment of the realities in each country context. The second hypothesis was not found in any country to be an interesting question, since in all cases the countries involved are pursuing export-led growth to foster development. More interesting to all, and the subject of several of the case studies (in Argentina, Central America, China and Vietnam), was the hypothesis:

2. There are potential export niches for environmentally preferable goods and environmental services.

The third hypothesis was then amended slightly to read:

3. There are significant opportunities for policies which address such threats and opportunities while advancing sustainable development.

There was also a change in the research questions asked at the cross cutting level. At that level, the original research papers were to deal with:

- TRIPs and Technology Transfer
- Investment

Subsidies
International Taxes for Sustainable Development
PPMs (including commodity trade)
Managing imports (including trade in hazardous waste and goods)

hese were chosen according to a number of criteria, including: potential contribution
developing country policy makers; novelty of the issue; and scarcity of existing
esearch (All three criteria are obviously inter-related). We found that good work was
progress on PPMs and subsidies by Diana Tussie's group.[1] And the issue of
nternational taxes we found, after further thought, to be too narrow a box to be
nteresting. We found two issues to better fit the criteria as stated above: the greening
f government procurement (bound to be an increasingly important concern to
eveloping country exporters), and the trade implications of the Kyoto Protocol (also a
ew and important issue for that audience). In response to demand, particularly from
ietnam, we narrowed the focus of the paper on Managing Imports to a focus
pecifically on managing domestically prohibited goods. The unexpected need for
nore funding for country level research led us to decide not to try to find a sixth topic,
ut to stay with five thematic papers and channel the resources saved to the country-
evel research partners.

. *Research Findings*

he findings f the individual research projects are summarized below.

rgentina: The orthodox view holds that trade liberalization and increases in per
apita income will at some point generate a cleaner pattern of exports and higher levels
f environmental protection. If this is so, the example of Argentinean manufacturing
loes not demonstrate it. It is also traditionally held that liberalization in the
gricultural sector worldwide will bring about environmental benefits, since it will
nean relatively more production in developing countries, which use fewer chemical
nputs. The study found that a liberalized domestic regime allowed for greater
lomestic production, but also noted that this created increased levels of input use – still
ar below absolute levels in developing countries, but increased nonetheless. The
gricultural study also showed environmental improvements due to the adoption of
new technologies, facilitated by liberalization, but entirely unplanned. It speculates that
leliberate planning for environmental improvements would likely yield similar if not
greater benefits.

Central America: The Central American research serves to emphasize the importance
of institutional frameworks in capturing what amount to positive externalities in the

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See Tussie, Diana (ed.). *The Environment and international trade negotiations: Developing country studies.* Ottawa: IDRC, 2000.

trading system. It contrasts the experience of Costa Rica in "exporting" its carbon sequestration services via mechanisms like joint implementation and potentially under the Kyoto Protocol's Clean Development Mechanism, with the experience of El Salvador with shaded coffee cultivation. While the latter offers significant environment and development benefits as compared to prevailing methods of cultivation, there exist major challenges domestically and internationally in finding and operationalizing markets for these "services."

China: The Chinese case study on textile dyestuffs is a good contrast to that of the South African citrus industry (see below). The structure of the sector, comprising numerous small producers of poor environmental quality, not organized by any strong producer association, prevented the sector from responding well to foreign demands for changes in technology. It is also a good study in the difficulties generally faced by small and medium-sized enterprises in adapting to such demands. Finally, it underlines the need (if sustainable development is the objective) for better strategies by the foreign governments to accommodate developing country exporters, in terms of lead time and technical assistance. The study on leather exports demonstrates the link between environmental quality, quality management and the pursuit of market share. It also underscores the fact that this trade-environment link is squarely on the domestic agenda and not a product of Northern environmentalists only; the pollution and water use of the leather tanning sector directly affects the human health and environmental integrity of its neighbours. The study on organic food exports demonstrates the significant opportunities that seem to exist for strategic government action in fostering "green" export sectors in some developing countries.

Pakistan: The Pakistan study estimated that the results of the Uruguay Round liberalization of the textiles sector were likely to lead to significant increases in environmental damage in Pakistan. It then demonstrated that the costs of bringing production in two major export sectors up to acceptable international environmental norms (pollution load reduction for cloth production and leather tanning of 91% and 66%, respectively) is not nearly as high as is commonly considered to be the case in the South. If these estimates are correct, the clear policy lesson is that the government of Pakistan has both economic and environmental grounds for cost-effective intervention in these industries to help bring up environmental standards.

South Africa: The South African study exposes the coal and steel industries in South Africa as vulnerable to foreign pressures for environmental improvement, both via the implementation of multilateral environmental agreements, and via buyer pressures unrelated to legal obligations. It also documents an impressive environmental improvement in the citrus industry, brought about in absence of government intervention in response to foreign buyers' concerns. This case demonstrates the importance of producer organizations in successfully addressing such concerns, and

shows, as in the case of Argentina, that environmental improvements in absence of deliberate government planning can and do take place.

Vietnam: The Vietnamese study was, more than the other studies, a survey of the environment-trade links at the domestic level in the country. The survey covered such sectors as forestry, industrial goods and agriculture, and looked at such issues as environmental management certification and international economic integration. It did, however, contain two brief case studies. The coffee study underlines (as did the China research) the difficulties faced by small and medium enterprises in developing countries in standardizing quality of exports, particularly to the exacting standards of developed country markets. The coffee sector acts as a foil to the first case study, based as it is on a large modern food processing firm in a special industrial zone. This firm, one of the few in Vietnam to win export approval for the EU, is struggling with its environmental management, but is far ahead of most other Vietnamese firms, and has a clear picture of its future needs for improvement.

4. Satisfaction of Objectives

The project's general objective was to foster long-term capacity to address the issues of trade and sustainable development in developing country research institutions, NGOs and governments, through increased awareness, knowledge and understanding of the issues. The project made concrete progress toward achieving this objective, and the specific experiences of each country are briefly described in Section 9 (Impacts). The extent to which the specific objectives were achieved is considered below.

Specific objective 1: Identify and analyze the most important trade and sustainable development issues in five developing countries. This objective was achieved in the first part of the research conducted by each network member, and is written up in each country report as such.

Specific objective 2: Engage a dialogue among researchers, government officials, the business community and NGOs in each of these countries. This objective was to be satisfied through the country workshops. As a general rule, a good dialogue was established in each case between the researchers and government officials. The involvement of other NGOs and business varied form case to case, in some cases being excellent, and in others wanting. In particular, the involvement of other NGOs might have been stronger in China and Vietnam, and the involvement of the business sector might have been stronger in Pakistan.

Specific objective 3: Help define a Southern perspective around key international issues in trade and sustainable development. This specific objective was to have been satisfied by the thematic research papers. The project was disappointing in its fulfillment of this objective in two ways. First, the final drafts of the papers were not

available at the workshops, though the authors in several cases were present, and gave presentations based on their work. Second, the papers, while interesting from a developing country perspective, cannot really be said to have defined "a southern perspective." This is in part due to the fact that this objective evolved somewhat in the course of the project, becoming instead a desire to bring an international perspective on key issues to the attention of developing country policy makers. It is worth noting that, in the final event, only one of the papers was authored by a developing country expert.

Specific objective 4: Develop a knowledge network on issues of trade and sustainable development. This objective was achieved. The network was established, and is supported by a web architecture that highlights the network research.

Specific objective 5: Provide a base of knowledge and experience to extend research coverage of the network more efficiently and effectively to six new countries in second and third phases of activity. This objective was achieved. The body of work conducted in the first phase (see Section 6: Project outputs and dissemination) and the lessons learned from the first phase operations (see Section 5: Project design and implementation) form an excellent foundation for future phases. Fundraising for phase two is now ongoing.

5. Project Design and Implementation

The project design and implementation were, with few exceptions, as envisioned in the MGC, and as summarized in sections 1 and 2 above. The major changes were the addition of a sixth country to the network and the changing role of IUCN in the project.

Vietnam as a network partner was added to the mix opportunistically. IUCN had been invited by the Swedish International Development Agency to organize a meeting in Hanoi on the issues of trade and environment, and suggested that this be done within the context of the ongoing Trade Knowledge Network Project. The meeting was fully funded by SIDA's Strengthening Environmental Management project.

IUCN had been represented in the project by Mr. Mark Halle, Director of Global Policy and Partnerships. In mid-1998, Mr. Halle left IUCN, and continued to work on the project but did so on behalf of IISD. IUCN as an institution was no longer sure the project fell within its mandate. IUCN's collaboration in the latter half of the project, then, was at an operational level in the various countries/regions, where the local offices were involved as workshop organizers and researchers. This was the case in Pakistan, Central America, South Africa and Vietnam.

The first phase of this project built many types of capacity. One of them was better capacity in the major collaborators to design and manage the subsequent phases of the

›roject. A wrap-up meeting and evaluation of the first phase, held in Ottawa in May – ˙une 2000, produced a number of recommendations for project design and mplementation. These are summarized below.

›.1 Workshop design

- Some workshops worked well in establishing follow up national networks, and those were more by fortune than by design. Though such networks had been the desired outcome in the first phase, no explicit planning was made for their establishment. Phase II should more explicitly aim for such an outcome, and set in place plans to help it materialize.
- There was a problem with the idea of having one organization do the research and another one organize the workshop. In most cases, no real collaboration developed, and the two organizations had separate agendas. In phase II it should be up to the research organizations, in consultation with the project team to decide whether a separate organization is needed, and to identify one with which they can work.

›.2 Research

Thematic research

- This should have played a stronger role in the national workshops. In phase II there should be at least one paper directly relevant to the themes pursued at the national level in each country.

Capacity building elements:

- The research was effective in a number of cases in getting mainstream economists interested in environment (e.g., Argentina, South Africa), and environmentalists interested in trade (e.g., Central America). This process should be again sought in phase II.
- Assistance from the project team was uneven in phase I, being rated highly in some cases, and insufficient in others. A resource person should be chosen (in consultation with the research partners) for each country. These should be suited to individual needs (including language, subject matter, methodology). The management mechanism should allow for flexibility of approach, keeping the resource person's role informal, and working through project manager.
- Not enough capacity was built up in young researchers. The next phase should look to address this need. One way to do so might be to involve Universities, if not in the research phase then certainly in the workshop/dissemination phases.
- The workload was too great to expect all partners to comment on all studies as they progressed. The second phase should link specific selected partners to others as discussants.

5.3 Nuts and bolts

- It was good to have a generous amount of time in which to complete the research. Fifteen months was cited by one researcher as good.
- The research in the next phase should more explicitly pull out policy recommendations for the audience in governments.
- It was good not to try to force a common methodology on the phase I studies. There was a common terms of reference, but each researcher was free to approach it in the way that made most sense in his or her case. But there will need to be at some point an effort to pull out the common themes and lessons learned from the first two phases.
- In general, flexibility to individual circumstances will be key in phase II. Some countries may involve collaboration among several institutions (as in phase I) and some may not. The involvement of some resource people may be deep, while others may be less involved.

5.4 The network element

- In phase I, the project in effect was like a spoked wheel, with researchers related to each other only through the hub (the project team). Phase II must find mechanisms to make the network more interconnected.
- One mechanism for contact is meetings of the researchers. There should be an inception meeting, a mid-term "virtual" meeting for peer review of drafts, and a wrap-up meeting.
- An extra-net space on the web site might be useful, as would a network listserv.
- As mentioned above, the in-country networks need more focused attention. They constitute one of the most valuable products of the whole exercise.

5.5 Miscellaneous

- The research tended to show a need to deal with at least two objectives. As well as focusing on WTO rules an their effects, there is a need to focus on the effects of pure market forces, and the subsequent need for domestic policy reform.
- The work of the network was most effective when it worked at two levels: at the level of national policy makers and also from the other end at the level of the country representatives in Geneva. IISD and ICTSD should try to complement the national work with international efforts, both in the project (asking Ambassadors to attend workshops and review drafts, as in first phase) and outside of it (pursuing the short courses proposal for training).
- Sending interns to the research partners under the Young Leaders for a Sustainable Future initiative worked well, giving them technical and research support.

6. *Project Outputs and Dissemination*

he project's outputs and dissemination can be grouped into two categories: ıformation sharing and dissemination, and training.

.1 Information sharing and dissemination

.ll of the outputs referred to in this section can be found in full text on the TKN website t http://iisd.ca/tkn. The full original project document and periodic updates can also e found there.

'he project produced a number of country-level reports:

ırgentina (CENIT): Environmental Improvements without environmental policies: Argentine agriculture and manufacturing exports in the 1990s.

:entral America (PRISMA & IUCN): Trade in environmental services and sustainable development in Central America: The cases of Costa Rica y El Salvador. (examining carbon sequestration and shaded coffee).

:hina (PRCEE): Final report on trade and sustainable development in China: The cases of leather, textile dyes and organic food production (the final draft of this study is still in progress, and is expected by the fall of 2000).

'akistan (SDPI & IUCN): Environmental Impacts and Mitigation Costs Associated with Cloth and Leather Exports from Pakistan.

South Africa (TIPS): Trade and Environment: A South African Country Study (examining the cases of steel, coal and citrus fruit exports)

It also produced two background studies, used in the workshops:

Torres, Hector. "Environmental rent: Cooperation and Competition in the multilateral trading system."

Enders, Alice. "Openness in the World Trade Organization."

It also produced several papers prepared for specific workshops:

Najam, Adil. "SDPI Comments for the Ministry of ELG&RD on 'Forthcoming trade negotiations: Identifying Pakistan's interests (a paper prepared by the Pakistan Mission in Geneva).'"

Peck, Thian Guan. "Balancing trade and environmental needs: Singapore's experience."

Banuri, Tariq. "Pakistan: Environmental impact of cotton production and trade."

Kaushik, Atul. "Promoting sustainable trade: The case of environmental requirements" (India's experience).

Cosbey, Aaron. "TRIPs and sustainable development: A focus on developing countries."

Cosbey, Aaron. "The Clean Development Mechanism: A tool for sustainable development?"

As well, it produced five thematic research papers:

Von Moltke, Konrad. "An International Investment Regime? Issues of Sustainability." (This paper has been revised and expanded to become a book, to be published i August 2000 by the IISD)
Alam, Ghayur. "TRIPS and technology transfer."
Cameron, James and Aaron Cosbey. "The sustainable development implications of th Kyoto Protocol."
Cameron, James and Aaron Cosbey. "The greening of government procurement."

Finally, the project constructed a hub on IISDnet to house the project results, highlight the work of the research partners, and point to other related research, projects and information sources of interest. The site can be found at http://iisd.ca/tkn.

6.2 Training

The project convened seven country workshops (two in Argentina) aimed primarily a domestic level policy makers:

Islamabad, Pakistan: April 12 - 14, 1999 (with SDPI)
Midrand, South Africa: July 1 - 2, 1999 (with TIPS, IUCN-ROSA, Global Environment Monitoring)
San Salvador, El Salvador: July 7 – 10, 1999 (with IUCN-ORMA, Consejo Centroamericano para el Ambiente y Desarollo and Secretaria para la Integraci Economica de CentroAmerica)
Cordoba, Argentina: June 25, 2000 (with Fundación Ambiente y Recursos Naturales)
Buenos Aires, Argentina: June 28, 2000 (with Consejo Argentino para las Relaciones Internacionales)
Wuxi, China: May 10 – 11, 2000 (with Wuxi Light University, International Chamber Commerce, China and the Working Group on Trade and Environment of the China Council for International Cooperation on Environment and Developme
Hanoi, Vietnam: April 9 – 10, 1999 (with IUCN Vietnam)

Reports of the workshops (with the exception of the Chinese and Argentinean events can be found on the TKN web site.

The project also produced a wind-up meeting followed by a self-evaluation meeting the first phase. This took place in Ottawa, May 30 – Jun 2 2000. At this meeting, the research partners presented their results to an audience of policy makers, NGOs and academics from the Canadian trade policy scene.

Further, the project conducted ten days of on-site information technology training fo the Central American research partner, PRISMA. The trainer's report is attached as Annex I. It also partnered with another ongoing IISD project (Young Canadian Lead

for a Sustainable Future[2]) to send interns for six-month stints with several of the research partners. In the next cycle of the program, to begin in the fall of 2000, SDPI will host its third intern, and PRISMA its second. TIPS hosted one placement in the last cycle and will likely host another in the future.

7. Capacity Building

Capacity building being the main objective of the research and dissemination carried out under this project, the project's capacity building impacts are discussed in Section 9: "Impacts."

8. Project Management

The lessons learned from the first phase of the project, including the lessons applicable to administration and scientific management of future phases by IISD and its major collaborators, are described in Section 5: "Project Design and Implementation."

The technical and other support received from IDRC has been, throughout all project phases, useful and readily available.

9. Impacts

The project's impacts have varied across the six partner countries involved in the network. Section 5 discusses some of the ways in which a more uniformly positive impact might be sought in subsequent phases of the project. Brief comments are offered below on the ongoing impacts in each of the partner countries:

Argentina: The Cordoba workshop targeted the NGO community, and that community turned out in force, the workshop being part of the highly successful annual FARN Colloquia. The workshop clearly put the issues of trade and sustainable development on the table for Argentina's most influential environmental NGOs. The workshop resulted in a set of formal "*recommendations to the authorities*" (full recommendations available on request) on the subject of trade, environment and sustainable development. Some of those authorities were present and active at the Cordoba workshop: Ambassador Elsa Kelly, Director of Environmental Affairs in the Ministry of Foreign Affairs, spoke at the seminar, as did Hector Torres, Argentina's representative at the WTO Committee on Trade and Environment.

The greater governmental audience was reached at the Buenos Aires meeting, in part by virtue of the fact that CARI – the "old boys' network" of foreign affairs officials – was the convener. There was unprecedented open debate among the participants – a virtual

[2] For more information on the YCLSD project, please see http://iisd.ca/interns.

who's who of Argentine foreign affairs - on the subject of agriculture - particularly ove issues of genetically modified crops.

The research itself, particularly the agricultural research, built capacity on the issues of trade and sustainable development in the research organizations. The agricultural case study was conducted by several world-class agricultural economists (Eduardo Trigo and Eugenio Cap) who had never explored the linkages between agriculture and environment, and who now argue forcefully for the importance of those linkages.

Central America: The follow-up to the Central American workshop has been some of the most extensive in the network. Not all the credit can go to the TKN project; CCAD and SIECA were already taking some interest in the issues before the workshop, and thus their agreement to collaborate on convening the event. But the results are nonetheless impressive.

Following the workshop recommendations, CCAD - a Central American inter-governmental body charged with environmental management and integration - has firmly adopted trade as a key topic in its work program and in its agenda for Central American integration. Its chosen focus is civil society and the private sector, but most especially the professional associations of small producers, small and medium enterprises, and the chambers of commerce and export. It is working on three fronts: with CATIE (a tropical agriculture research and training centre based in Costa Rica), it is undertaking a study of the market for environmentally friendly products. With INCAE (a Costa Rica-based business school with links to Harvard) it is establishing a market observatory for small and medium sized enterprises. Finally, it is at an advanced stage in developing a large-scale proposal on capacity building that aims to tie in with the desire of Capacity 21 to support them. IISD has agreed to be involved in the drafting of the proposal.

The non-governmental follow up has also been encouraging. The Regional Policy Network on Sustainable Development (established in part through the efforts of IISD and IUCN) has created a working group on trade and environment. The Working Group is chaired by Olman Segura, of the Research Centre on Economic Policy (CINPE) associated with the National University of Costa Rica. The focus of the group will be on WTO-related issues and their implications for Central American sustainable development.

China: The Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC) has become solidly interested in the linkages between trade and sustainable development. Like Vietnam, China is in the process of pursuing greater economic openness, and MOFTEC realizes that a process of openness will mean that China needs to come up to speed on environmental standards, and also means opportunities for marketing environmentally preferable goods. MOFTEC has solicited IISD's assistance

drafting a proposal for CIDA that involves a package of initiatives, including a high-vel workshop on trade and environment in Canada to bring Chinese trade and ıvironmental officials to exchange views with Canadian counterparts and experts (as ell as international experts); a Chinese environmental review/assessment of the WTO ;reement (and the possible new Round); focused research; a series of training orkshops on trade and sustainable development; and the establishment of a trade and ıvironment information centre to track foreign environment related trade measures.

ıkistan: The research and workshop in Pakistan began a virtuous cycle of increased pertise within SDPI and increased trust and interest by the government on the issues trade and sustainable development. Subsequent to the workshop, SDPI has ıblished four policy briefs on the subject of trade and sustainable development, licited by the Ministry of Commerce. It has also published 2 policy papers (all the ove are available on the SDPI website at http://www.sdpi.org). It has delivered a ımber of lectures within Pakistan on the issues of trade and sustainable development, rticularly surrounding the 1999 Seattle Ministerial Conference of the WTO. It has und a commercial publisher for the proceedings of the workshop. The Ministry of the ıvironment has asked SDPI to convene two stakeholders' dialogues on the subject of ıde and sustainable development. And, after an SDPI presentation to a pre-Seattle licy briefing for the Ministry of Commerce, the Minister asked an SDPI faculty ɜmber to accompany the Pakistan delegation to Seattle to advise on the issue of TRIPS d sustainable development. SDPI has worked hard to establish itself as a reliable urce on the issues with the Ministries of Environment and Commerce, the Geneva ission and the World Bank.

)PI has also done some work on ISO 14000, and on policy recommendations rrounding UNCTAD X in Bangkok earlier this year.

ıuth Africa: The workshop in South Africa heightened the interest of the business mmunity and government in the issues of trade and sustainable development, but s produced no concrete ongoing initiatives in either. It also brought together a brief llaboration of three NGOs: IUCN, Global Environmental Monitoring and TIPS, to st the event. Each ahs followed up individually in some manner. TIPS has declared interest in the area, and particularly in the areas of MEAs such as the Kyoto Protocol d their potential effect on energy-intensive South African business. TIPS has also ɜn invited, at IISD's prompting, to several international conferences: on the Seattle ΓO meeting in London, and on Environmental Impact Assessment of trade reements, in Quito. IUCN and GEM are floating funding proposals to work in the ɜa, and GEM published a manual on trade and environment.

etnam: The workshop in Vietnam was perhaps the most impressive in its ability to gage government. The survey of trade and sustainable development issues in the ɜearch report was a compilation of credible contributions from various government

Ministries, and those Ministries were well represented at the workshop. The Vice-Minister of Science Technology and Environment met with IISD and stressed that he realized the need to address trade-sustainable development linkages, particularly as Vietnam pursued a policy of economic openness, but needed guidance in how best to do so. His concluding remarks to the conference were a strong endorsement of the conference recommendations.

10. Overall Assessment

This project involved a substantial investment of time and funds, unfolding over the course of more than two years. It is appropriate to ask whether the results were proportionate to that investment.

As background to this consideration, it should be noted that capacity building is not an easy or quick process. The original project document submitted to IDRC warned: "Capacity building is a long-term commitment, the needs of which are not served by a single workshop. It must be stressed that the workshop described here is only a first step in the countries involved - the foundation of a lasting relationship among the countries themselves, and between them and the major collaborating organizations in the project." From the beginning, then, it was understood that building capacity in the network countries would be a long-term process.

The research conducted by the network members, and the policy workshops based on that research, created in them the beginnings of lasting expertise and interest on the issues of trade and sustainable development in each country. While each country experience was different (see the previous section), in general there is now in each country expertise on the issues of trade and sustainable development that did not previously exist, and a desire to do further work on the issues most relevant to each country.

There is also, to varying degrees, a greater understanding of the issues by policy makers. The case studies in particular helped drive home the realization that trade and sustainable development issues are part of the domestic agenda, and worthy of strategic analysis.

These are significant impacts. In our view they justify the investment of time and funding that went into this project. Of course, that expenditure will be more valuable yet if further work is done to build on the foundations laid in phase one.

11. Recommendations

This recommendation is no less important for being predictable: It is recommended that IDRC consider funding some portion of the second phase of the TKN project.

12. Final Financial Statement

(as of August 15 2000)

The table on the following page displays the financial operations of the first phase of the TKN project. The total project budget, including parallel events (those project-related events that were funded outside the project), was $714,070. Of this, IDRC contributions totaled $464,760, or 65.1%. Other funders were as follows:

IISD: 72,608 (Overhead expenses plus project deficit)
SIDA: 61,385 (Vietnam workshop)
Italy: 59,016 (Central American workshop, other minor commitments)
WBCSD: 29,402 (Research, travel, project management, overhead)
CIDA: 10,000 (Research)
CCICED: 5,996 (China workshop)
ICC China/Wuxi University: 5,520 (China workshop)
TIPS: 5,383 (Travel)

SIDA is the Swedish International Development Agency. The Italian funder was the Development Cooperation Division of the Italian Foreign Ministry. WBCSD is the World Business Council for Sustainable Development. CCICED is the China Council for International Cooperation on Environment and Development. ICC is the International Chamber of Commerce. TIPS is the Trade and Industrial Policy Secretariat, South Africa.

The project ended up slightly over budget, by $2,926, an amount IISD will absorb.

IDRC had agreed to extend the deadline for coverage of disbursements on this project until the end of April, 2000. The expenditures shown below reflect some items for which IISD had entered into commitments and undertakings prior to that time, but for which disbursements had not yet been made as of April 30. These included the final tranche of payment to the Chinese researchers, and some items related to the May evaluation workshop in Ottawa.

	YEAR ONE: Nov. 97 - Oct. 98					YEAR TWO: Nov. 98 - Nov. 99							FINAL BALANCE
	Revenue				Expenses	Revenue				Expenses			
	IDRC	IISD	OTHER	TOTAL		IDRC	IISD	Parallel	TOTAL	Parallel	Normal	TOTAL	
1. Conferences													
Materials development	8,000			8,000									8,000
Materials reproduction	3,000			3,000									3,000
Outside experts, workshops	10,000			10,000							2,500	2,500	7,500
Per diems	21,600			21,600				3,759	3,759	3,759		3,759	21,600
Travel	72,000			72,000				24,698	24,698	24,698	59,439	84,137	12,561
Workshop organizers	15,000			15,000				66,191	66,191	66,191	32,837	99,027	-17,837
Catering													
Translation					1,039						3,120	3,120	-4,158
Subtotal	**129,600**			**129,600**	**1,039**			**94,648**	**94,648**	**94,648**	**97,895**	**192,543**	**30,666**
2. Consultants													
Thematic papers	65,000			65,000	2,039						15,187	15,187	47,774
Web page design	10,000		92	10,092	400						15,741	15,741	-6,049
Subtotal	**75,000**		**92**	**75,092**	**2,439**						**30,928**	**30,928**	**41,725**
3. Dissemination													
Publication	9,600			9,600	1,057	5,000			5,000		3,673	3,673	9,870
Subtotal	**9,600**			**9,600**	**1,057**	**5,000**			**5,000**		**3,673**	**3,673**	**9,870**
4. Evaluation													
Per diems						5,850			5,850		5,767	5,767	83
Travel, project staff						8,000			8,000		2,969	2,969	5,031
Travel, research partners						15,000			15,000		24,485	24,485	-9,485
Travel, workshop organizers						12,000			12,000				12,000
Subtotal						**40,850**			**40,850**		**33,221**	33,221	**7,629**

5. Research expenses													
Country studies	75,000		14,600	89,600	50,167			5,000	5,000	5,000	151,103	156,103	-111,671
Internet charges	8,000			8,000		2,000			2,000				10,000
Mailouts to research partners	1,210			1,210	1,737								-527
Courier, phone charges					6,326						46	46	-6,372
Subtotal	**84,210**		**14,600**	**98,810**	**58,231**	**2,000**		**5,000**	**7,000**	**5,000**	**151,149**	**156,149**	**-108,570**
6. Salaries													
Assistant, IUCN	3,700			3,700		1,300		1,295	2,595	1,295		1,295	5,000
Assistants, IISD	3,980			3,980	802	520			520		2,054	2,054	1,644
Project Director	18,500			18,500	7,768	6,500			6,500		7,038	7,038	10,194
Project Manager	32,560		16,443	49,003	38,852	11,440			11,440		47,202	47,202	-25,611
Special Advisors	22,940			22,940	813	8,060		21,002	29,062	21,002	11,548	32,549	18,639
Subtotal	**81,680**		**16,443**	**98,123**	**48,235**	**27,820**		**22,297**	**50,117**	**22,297**	**67,842**	**90,139**	**9,866**
7. Travel													
Project Director	3,000			3,000				6,104	6,104	6,104		6,104	3,000
Project Manager	3,000		7,398	10,398	7,032						3,479	3,479	-112
Project Special Advisor	3,000			3,000				3,869	3,869	3,869		3,869	3,000
Subtotal	**9,000**		**7,398**	**16,398**	**7,032**			**9,973**	**9,973**	**9,973**	**3,479**	**13,451**	**5,888**
Project Subtotal	**389,090**		**38,533**	**427,623**	**118,032**	**75,670**		**131,918**	**207,588**	**131,918**	**388,187**	**520,105**	**-2,926**
8. Overhead													
allocated expenses @15% of non-parallel expenditures		9,735	6,252	15,987	15,987		59,946		59,946		59,946	59,946	
Subtotal		**9,735**	**6,252**	**15,987**	**15,987**		**59,946**		**59,946**		**59,946**	**59,946**	
TOTALS	**389,090**	**9,735**	**44,785**	**443,610**	**134,019**	**75,670**	**59,946**	**131,918**	**267,534**	**131,918**	**448,133**	**580,051**	**-2,926**

"Other" funding includes funds from WBCSD, CIDA and TIPS

"Parallel" funding was from SIDA and Italy for the workshops in Vietnam and Central America respectively, and in China from the China Council for International Cooperation on Environment and Development, the International Chamber of Commerce and Wuxi Light Industry University for the workshop there.

The summary sheet below draws from the detailed budget above, and displays the information in the format requested by the MCG.

	Year 1		Year 2		Total	
	IDRC Revenue	Disbursed	IDRC Revenue	Disbursed	IDRC Revenue	Disbursed
Conferences	129,600	1,039		97,895	129,600	98,934
Consultants	75,000	2,347		30,928	75,000	33,275
Dissemination	9,600	1,057	5,000	3,673	14,600	4,730
Evaluation			40,850	33,221	40,850	33,221
Research	84,210	43,631	2,000	151,149	86,210	194,780
Salaries	81,680	31,792	27,820	67,842	109,500	99,634
Travel	9,000	-367		3,479	9,000	3,112
TOTAL	389,090	79,499	75,670	388,187	464,760	467,686

The above financial statement, to the best of my knowledge, reflects the revenues and expenses of the Trade Knowledge Networks Project for Capacity Building on Trade and Sustainable Development, as of August 15 2000.

Aaron Cosbey
Project Manager, IISD

Date: August 22, 2000

Ian Seymour
Secretary-Treasurer, IISD

Date: August 21, 2000

Annex I: Trainer's report, IT training with PRISMA

(Note: appendices to the original report are available on request)

Trip Report
PRISMA/IISD Capacity Building Project
December 4, 1998 – December 14, 1998

Adam Rostis
December 23, 1998

1.0 Overview of the Project: PRIMSA, Intranets and the Internet

This report summarizes the activities completed for one of the capacity building components of the IISD's Trade and Sustainable Development project. Work was carried out at the offices of PRISMA in San Salvador, El Salvador. Based on prior consultation with PRISMA, the goal of the consulting project was to provide training on the development of an Intranet for the organization. An Intranet would enhance PRISMA's ability to conduct research through information sharing amongst researchers and by allowing wider access to the organization's documentation centre (CEDOC). These two components will now be more fully described.

1.0.1 CEDOC

As it was explained during the first day of consultations with PRISMA staff, PRIMSA is one of a very few number of research organizations in Central America. They maintain a library (CEDOC) of documents which researchers at PRIMSA and others from outside the organization consult on a regular basis. The on-line database for CEDOC is on a stand-alone workstation at PRISMA, and it was indicated that CEDOC should become more accessible to staff and outside users.

1.0.2 Information Sharing

It was also felt that the Intranet could lead to better sharing of information amongst PRISMA researchers. This could be accomplished by developing a scheme for on-line collaboration on research-in-progress. It was indicated that researchers at PRIMSA collect a great deal of information (e.g. individual Internet bookmark files, bibliographies, etc;) which stays hidden in the folders of the individual researchers. The Intranet must therefore enable researchers to share this information throughout the organization and eliminate this information hiding problem.

1.1 Future Developments

PRISMA will develop their Intranet as a first step towards creating an Internet site for public use. Table 1 gives an overview of their proposed Intranet site. Elements of the

Intranet (for example the on-line database for CEDOC and the 'current research' pages of individual researchers') will become live components of the Internet site. PRISMA wants to spend the next 5 to 6 months developing the Intranet and Internet site prior to releasing the Internet component to the public.

Table 1: Overview of the proposed PRISMA Intranet site.

Documentation Center	Internal Administration	Research and Outreach	Resources On-Line	Accounting and Finances	Publications	Training Techni Suppo
Catalog Search Online (1) Documents Online (2) Document Acquisition Services Policies Links Bookmarks (2)	Information for Personnel PRISMA Introduction Manual Room Reservations (3) Internal Meetings (4) **Personnel Notices (In-Out Box) Requests for Time Off (4) Individual Staff Calendars (4) Benefits Celebrations (3)	Work Plans (3) **Research in progress (2) Joint Ventures Invitations to Events (3) Event Reports (3)	Database of indicators (3) Publications (2) PowerPoint Slides (2) Maps (2)	Policies and Procedures Forms Online (4)	Subscription forms	Intranet Gu Technical Support Requests (FAQs Software Updates

KEY:
(xx) see note xx in Appendix A for more information on this item
** item completed during consulting project

2.0 Activity Report

Table 2 in this section details the day-to-day activities carried out during the consulting project at PRISMA.

Personnel involved:

Herman Rosa (HR) – Director, PRISMA
Jose Miguel Sierra (JMS) – Software Specialist, PRISMA
Maritza Romero (MR) – Documentalist, PRISMA
Susan Kandel (SK) – Staff Member, PRISMA

Table 2: Activities completed during consulting project.

Date	Activity
Friday, December 4	• Travel from Halifax to San Salvador
Saturday, December 5	• Met with HR, JMS, MR and SK to discuss outline of PRISMA Intranet and decide on workplan for next week of activities
Sunday, December 6	• Developed skeleton structure of PRISMA Intranet
Monday, December 7	• Presented overview of skeleton PRISMA site (SK, JMS, MR) • Discussed design principles of Intranet (SK, JMS, MR) • began to fill in site skeleton (JMS, MR) • worked on database integration (JMS) • worked on integrating SIABUC database into Intranet (JMS, MR)
Tuesday, December 8	• discussed microISIS and SIABUC integration (JMS, MR) • developed the document sharing structure and function for Intranet • worked on converting ISIS to SIABUC format (JMS, MR)
Wednesday, December 9	• worked on converting ISIS to SIABUC format (JMS, MR) • discovered a process of converting ISIS to SIABUC (JMS, MR)
Thursday, December 10	• completed in/out box function • worked on converting ISIS to SIABUC (JMS) • worked on utilizing SIABUC format within FrontPage (i.e. Searching the database) (JMS, MR)
Friday, December 11	• gave overview of Intranet site as developed so far (SK, JMS, MR) • began to re-organize parts of the site as suggested by SK, JMS, MR • presented a talk on 'advanced searching' to PRISMA researchers (SK, HR, JMS, MR, others...)
Monday, December 14	• Completed report on activities • Prepared guidelines for future activity related to the Intranet at PRISMA

	• Completed description of technical aspects of Intranet creation for JMS
Tuesday, December 15	• Travel from San Salvador to Halifax

2.1 Description of Activities

2.1.1 Database Conversion

Given that a major element of the PRISMA Intranet is the availability of the documentation centre's (CEDOC) on-line database, considerable time was spent in preparing the database for use on the Intranet. The key obstacle to attaining this goal was conversion of the existing database. The CEDOC database was created using a dedicated library database management program called ISIS. PRISMA wanted to convert the existing data (in ISIS format) for use on another dedicated library database management program called SIABUC because it was felt that SIABUC better suited the needs of PRISMA. Once the library data was converted into the SIABUC format, work could begin on integrating this data into the Intranet. Difficulties were encountered in converting the database into SIABUC format which prevented this task from being completed. These difficulties are outlined in Appendix A, section 1. Despite this obstacle, time was spent on describing how to integrate the database into the Intranet once the conversion was completed.

2.1.2 Document Sharing

A system for document sharing was developed and described to PRISMA staff. This will enable researchers to post documents to the Intranet so that they will be available to all other researchers at PRISMA. A shell or outline of the process was implemented as part of this consulting project. Staff were trained on how to further develop the outline system and fully integrate the document sharing system at PRISMA. An overview of this process is given in Appendix A, section 2 and a more technical outline of this system is provided in Appendix B.

2.1.3 Advanced Internet Searches

A presentation was given to PRISMA staff on methods of better searching the Internet for information. Notes on this presentation are given in Appendix C.