

# Impact Assessment of Trade Related Policies

*Impacts of Trade on Economic structures  
and the consequent Environmental and  
Social Effects*

**June 5, 2007**

# Introduction to the topic

- Trade
- Why “impact assessment of trade-related policies”
- Types of effects

# Trade

- Countries have comparative advantage in some sectors
- Trade can allow specialization leading to economies of scale
- Trade policies and negotiations cover a number of issues
  - Tariffs (goods, agricultural products), services, technical barriers to trade, investment, government procurement, environment.....
- Trade agreements and policies often have environmental and SD references and considerations

# “IA of Trade-related policies”

- “Trade-related policies”
  - Negotiations for trade agreements
    - Bilateral, regional, multilateral
      - Investment agreements
    - Trade policies
  - Ongoing trade
- “Impact Assessment”
  - Conducted by governments, international organizations, NGOs, academics via a range of methodologies
  - *ex ante* or *ex poste*
  - Environment, sustainability focus

# 5 Types of effects

## **Scale effect: changes in amount of activity**

- How much impact overall? Geographic extent?

## **Structural effect: changes in patterns of activity**

- How do production/consumption patterns change?

## **Product effect: changes in types of products**

- What issues are associated with a product?
  - Changes in inputs, outputs, and externalities
  - Environmental goods and services

## **Technology effect: change in technology flow/use**

- Will different technologies be used as a result?

## **Regulatory effect: legal and policy effects**

- How will regulatory and policy space be affected?

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*Alternative Methodological Approaches to  
Assessing the Impacts of Trade*

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