

REPORT (2001) OF THE COMMITTEE ON TRADE AND ENVIRONMENT

1. The Committee on Trade and Environment (CTE) continued its analysis of the items of the work programme in the Marrakesh Ministerial Decision on Trade and Environment, pursuing a cluster approach for the themes of market access and the linkages between the multilateral environmental and trade agendas. Discussions took place under the Chairship of Ambassador Yolande Biké (Gabon), followed by the Chairship of Ambassador Alejandro Jara (Chile).

2. The CTE held three meetings in 2001 (see attached Annex). The **13-14 February** meeting examined those items of the work programme relevant to the theme of market access, including items 2, 3, 4 and 6. Under item 2, discussion took place on a paper submitted by the European Communities on "The European Council Resolution on the Precautionary Principle", adopted in Nice in December 2000. Under item 3, the Chairman of the Nordic Technical Working Group on Fisheries Eco-Labeling Criteria presented the voluntary certification scheme the Working Group has developed for products from sustainable fisheries, and a discussion on ecolabels took place. The Environmental Database (EDB) for the year 1999 was presented to Members under item 4.

3. The Committee also broadened and deepened its sectoral analysis under item 6, with particular focus on the agriculture, energy, fisheries, and non-ferrous metals sectors. The Food and Agriculture Organization (FAO), the Organization for Economic Cooperation and Development (OECD) and the United Nations Environment Program (UNEP), informed the Committee of progress made in their work on fisheries. Under item 6, discussion was also held on the effects of environmental measures on the market access of developing countries in relation to a paper circulated by India. The Members also discussed the benefits of addressing initiatives that advance trade liberalization, environmental protection and development.

4. The focus of the meeting held on **27-28 June** was on those items related to the multilateral environmental and trade agendas, including items 1&5, 7 and 8. On 27 June, the CTE held an Information Session with the Secretariats of Multilateral Environmental Agreements (MEAs) to enhance understanding of the compliance and dispute settlement provisions in MEAs and the WTO. The WTO and UNEP Secretariats, in close cooperation with MEA Secretariats, prepared a background paper for the meeting (WT/CTE/W/191). Representatives of the following MEA Secretariats were involved:

- United Nations Framework Convention on Climate Change;
- Montreal Protocol on Substances that Deplete the Ozone Layer;
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal;
- Rotterdam Convention on Prior Informed Consent;
- Stockholm Convention on Persistent Organic Pollutants;
- Convention on Biological Diversity and the Cartagena Protocol on Biosafety;
- United Nations Fish Stocks Agreement; and
- Convention on International Trade in Endangered Species of Wild Fauna and Flora.

5. While unable to attend the meeting, the International Commission for the Conservation of Atlantic Tunas and the Commission for the Conservation of Atlantic Marine Living Resources contributed to the background paper, and cooperated closely with the WTO and UNEP Secretariats. Members noted the important contribution of MEA Information Sessions to increasing mutual understanding of the relationship between the WTO and MEAs, particularly through identifying synergies between the WTO, UNEP and MEAs. These Sessions also provide an excellent opportunity to forge practical institutional links between the WTO, UNEP and MEA Secretariats.

6. To enhance their understanding of item 7, Members invited the United Nations Secretariat to present the UN Consolidated List of Products Whose Consumption and/or Sale Has Been Banned, Withdrawn, Severely Restricted or Not Approved by Governments. The presentation stimulated discussion on the issue of the export of domestically prohibited goods (DPGs), and demonstrated that much information already exists on these goods. The List needed to be more widely disseminated, including through the Internet, and better used by countries in need of such information. Developing countries expressed a need for technical assistance and capacity building to enable them to effectively control the import of DPGs.

7. Under item 8, discussion was held on a paper presented by Brazil on the review of Article 27.3(b) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The representative of the Convention on Biological Diversity (CBD) briefed the Committee on a decision adopted by the CBD, which invites WTO Members to acknowledge the relevant provisions of the CBD and to take into account the inter-relationship between the provisions of the TRIPS Agreement and that Convention. This was followed by a presentation by the representative of the World Intellectual Property Organization (WIPO) on the work of the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore.

8. The **4 October** meeting addressed items 9 and 10, as well as both thematic clusters previously taken up during the year, and adopted this report of the CTE to the General Council. In addition to items 9 and 10, discussion of item 6 took place, with a focus on the agriculture and energy sectors.

9. The EDB was updated for the year 2000 by the Secretariat in document WT/CTE/W/195. The EDB was established in 1998 in fulfilment of the recommendation in the 1996 Report of the CTE to the Singapore Ministerial Conference (WT/CTE/1) to compile and update annually all environment-related notifications to the WTO. The list of documents circulated in the CTE since 1995 is contained in WT/CTE/INF/4.

10. As part of continued technical assistance in the trade and environment area, the Secretariat organized a regional seminar on trade and environment for government officials from developing and least-developed countries in Thailand in March 2001, and will be organizing another such seminar in the Caribbean region in December this year. The objective of these seminars is to raise awareness on the linkages between trade, environment and sustainable development and to enhance the dialogue between policy-makers from Ministries of both trade and environment in developing and least-developed WTO Member governments.

11. Pending the outcome of the Fourth WTO Ministerial Conference and the future work programme of the WTO, the CTE agreed to hold three meetings in 2002 to continue to deepen its analysis of all items on its work programme based on the thematic clusters. It also agreed to work towards the World Summit on Sustainable Development (also known as "Rio+10"), to be held in Johannesburg, South Africa, from 2-11 September 2002. Consideration will also be given to any other issues Members wish the Committee to address in order to fulfill its mandate.

ANNEX

Work Programme and Schedule of Meetings for 2001

1. The 2000 Report of the Committee on Trade and Environment (WT/CTE/5) sets out that the CTE will continue to analyse all the items on its work programme based on the "cluster approach" under the themes of market access and the linkages between the multilateral environment and trade agendas. Pending the future work programme of the WTO and building on the contribution of Members, including where possible their national experience, on the items of the work programme, the following tentative schedule of meetings is proposed. At each meeting, time will be allotted for Members, if they so wish, to return to items discussed at the previous meeting.

2. The CTE meeting of 13-14 February will address those items relevant to the theme of market access, including:

- Item 2: the relationship between environmental policies relevant to trade and environmental measures with significant trade effects and the provisions of the multilateral trading system;
- Item 3: the relationship between the provisions of the multilateral trading system and:
 - (a) charges and taxes for environmental purposes;
 - (b) requirements for environmental purposes relating to products, including standards and technical regulations, packaging, labelling and recycling;
- Item 4: the provisions of the multilateral trading system with respect to the transparency of trade measures used for environmental purposes and environmental measures and requirements which have significant trade effects; and
- Item 6: the effect of environmental measures on market access, especially in relation to developing countries, in particular to the least developed among them, and environmental benefits of removing trade restrictions and distortions.

3. At a meeting on 27-28 June the CTE will discuss the items related to the linkages between the multilateral environmental and trade agendas, including:

MEA Information Session;

- Item 1: the relationship between the provisions of the multilateral trading system and trade measures for environmental purposes, including those pursuant to multilateral environmental agreements;
- Item 5: the relationship between the dispute settlement mechanisms in the multilateral trading system and those found in multilateral environmental agreements;
- Item 7: the issue of exports of domestically prohibited goods; and
- Item 8: the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights.

4. On 4 October, the CTE's discussions will include:

- Item 9: the work programme envisaged in the Decision on Trade in Services and the Environment;
- Item 10: input to the relevant bodies in respect of appropriate arrangements for relations with intergovernmental and non-governmental organizations referred to in Article V of the WTO;

Review of the two thematic clusters of market access (items 2, 3, 4 and 6) and the linkages between the multilateral environmental and trade agendas (items 1, 5, 7 and 8); and adoption of the 2001 Report of the CTE.
