
Committee on Trade and Environment

REPORT OF THE COMMITTEE ON TRADE AND ENVIRONMENT TO THE GENERAL COUNCIL

1. The Committee on Trade and Environment Regular (CTE) has held three meetings so far in 2003,¹ back-to-back with the meetings of the Special Session of the CTE (CTESS). At its first meeting in February 2003, the CTE confirmed the appointment of Ambassador Peter Brño (Slovak Republic) as its Chairman.
2. The work of the CTE was organized in accordance with the mandate contained in paragraph 32 of the Doha Ministerial Declaration (DMD).² Particular attention was given to market access issues (paragraph 32(i))³, the relevant provisions of the TRIPS Agreement (paragraph 32(ii)), and labelling requirements for environmental purposes (paragraph 32(iii)). The CTE also continued its analysis of the other items of its work programme. Pursuant to paragraph 33, Members discussed technical assistance, capacity building and environmental reviews. Members also discussed the CTE's report to the Fifth Ministerial Conference in Cancún on the work undertaken since Doha under both paragraphs 32 and 33.⁴ Finally, under paragraph 51, Members undertook to identify and debate the developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected (see paragraph 6 below).
3. At the meeting of **14 February 2003**, under paragraph 32(i), Members discussed the issues of forestry and fisheries based on a contribution from Japan (WT/CTE/W/222). The UNCTAD and the OECD informed the Committee of relevant activities. Discussion also took place on paragraph 32(ii) on the basis of a submission presented by the European Communities (WT/CTE/W/223). On paragraph 32(iii), Japan referred Members to its submission to the TBT Committee on labelling (G/TBT/W/176). Under paragraph 33, Canada introduced its Initial Environmental Assessment of the WTO Trade Negotiations (WT/CTE/W/221) and the European Communities informed Members of a DG Trade Seminar on Sustainability Impact Assessments (WT/CTE/W/224). Under paragraph 51, presentations were made by the Secretariat on the negotiations in the areas of agriculture and market access for non-agricultural products. Finally, it was decided that the Secretariat would prepare a first draft of the factual elements of the Report to the 5th Ministerial Session in Cancún on paragraphs 32 and 33.
4. At the meeting of **29 April 2003**, Japan presented a paper on fisheries subsidies under paragraph 32(i) (WT/CTE/W/226). Members also discussed the issue of labelling for environmental purposes (paragraph 32(iii)) on the basis of a contribution from the European Communities (WT/CTE/W/225). Canada drew the CTE's attention to its communication on labelling submitted to

¹ The reports of the meetings are contained in documents WT/CTE/M/32-34. A fourth meeting will take place on 28-29 October 2003.

² Hereafter paragraph numbers refer to those of the Doha Ministerial Declaration.

³ The full text of paragraph 32(i) reads: "the effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development".

⁴ WT/CTE/8.

the TBT Committee in May 2002 (G/TBT/W/174/Rev.1, subsequently circulated as WT/CTE/W/229). Discussions were also held on paragraph 33, following the presentation by the United States of its submission on technical assistance and environmental reviews (WT/CTE/W/227). The UNCTAD and UNEP informed the CTE of their technical assistance activities and upcoming meetings (WT/CTE/GEN/12 and WT/CTE/GEN/13). Under paragraph 51, discussions continued on the basis of presentations by the Secretariat on the negotiations in the rules and services areas. It was decided that the Secretariat would prepare a brief and factual summary on this paragraph as part of its report to the General Council. Finally, Members discussed the first draft of the CTE Report to Cancún on paragraphs 32 and 33.

5. At the meeting of **7 July 2003**, under paragraph 32, Members discussed Canada's proposal for a recommendation for the Cancún Ministerial Conference (Job(03)/105). Under paragraph 32(iii) on labelling for environmental purposes, Members held discussions on a proposed recommendation by the European Communities for the Cancún Ministerial Conference (Job(03)/130). Members adopted the report of the CTE to the Fifth Ministerial Conference in Cancún on paragraphs 32 and 33 (WT/CTE/8).

6. On **paragraph 51**, following its decision to take a sectoral approach, the CTE received briefings by the Secretariat on relevant developments in the following negotiating areas:

- (a) *Agriculture* (WT/CTE/GEN/8): It was recalled that the need to protect the environment was one of the non-trade concerns explicitly mentioned in the Preamble of the Agreement on Agriculture. The debate was about what were the appropriate and effective instruments to achieve these objectives, and it was in this regard that there were differing views.
 - (b) *Market Access for Non-Agricultural Products* (WT/CTE/GEN/9): It was pointed out that a main point of relevance was the discussion on environmental goods. In this regard, the internal coordination between the work of the CTE Special Session under paragraph 31(iii) and the work conducted in the Negotiating Group on Market Access for Non-Agricultural Products was recalled. In the latter group, relevant discussions had taken place on definitional issues, as well as on the treatment of environmental goods.
 - (c) *Rules* (WT/CTE/GEN/10): It was noted that the most explicit environmental issue was that of fisheries subsidies. The cross-reference between paragraphs 28 and 31 was mentioned in this regard. Discussions took place on the link between subsidies and environmental damage to fisheries, and on the need to clarify and improve WTO disciplines on fisheries subsidies.
 - (d) *Services* (WT/CTE/GEN/11): The Secretariat recalled the internal coordination between the work of the CTE Special Session under paragraph 31(iii) and the work conducted in the Special Session of the Council for Trade in Services. In the latter body, relevant discussions had taken place on the desirability of more liberalization of environmental services, regulatory issues and classification issues raised in the Committee on Specific Commitments.
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