

WORLD TRADE ORGANIZATION

RESTRICTED

WT/CTE/W/17

12 December 1995

(95-4039)

Committee on Trade and Environment

SUMMARY OF ACTIVITIES OF THE COMMITTEE ON TRADE AND ENVIRONMENT(1995) PRESENTED BY THE CHAIRMAN OF THE COMMITTEE¹

1. As directed by the Ministerial Decision on Trade and Environment, the Committee on Trade and Environment (hereinafter "Committee") was established by the General Council at its first meeting on 31 January 1995. At that meeting, the General Council also agreed to the nomination of Ambassador J. Sánchez Arnau (Argentina) as the Chairman of the Committee.
2. The first meeting of the Committee was held on 16 February 1995 (WT/CTE/M/1). The Committee adopted a schedule of meetings and programme of work for 1995 (Annex 1). The Committee agreed that meetings would be organized such that, once discussion of the item(s) constituting the focus of the meeting had been completed, delegations could address, if they wished, the item(s) that were discussed at the previous meeting. Delegations could submit papers on any of the items at any time which would be discussed at the appropriate time according to the agreed schedule of work.
3. Other formal meetings of the Committee were held on 6 April, 21 June, 12 September and 26-27 October 1995 (WT/CTE/M/2 to 5); the items discussed at these meetings were as per the work programme decided at the meeting of 16 February 1995. With regard to item ten of the work programme, i.e. appropriate arrangements for relations with non-governmental organizations, the Committee decided to postpone the discussions pending results of discussions in the General Council.
4. At the October meeting, the stocktaking exercise was completed. As a result of this exercise, the Committee decided on its work programme through to May 1996 (Annex 2).²
5. The work of the Committee was assisted by documents prepared by the Secretariat (WT/CTE/W/1, 3 to 10, 12) and documents submitted by delegations (WT/CTE/W/2 and 11); Annex 3 lists the topics covered by these documents.³
6. The discussions in the Committee meetings were wide ranging and there was a very high level of participation by WTO Members. Forty governments are observers to the Committee. The Committee extended observer status to those inter-governmental organizations (IGOs) which had had observer status in the Sub-Committee on Trade and Environment, pending agreement by the General Council on the conditions and criteria for IGO observer status. These IGOs were:

¹This summary is submitted by the Chairman of the Committee on Trade and Environment on his own responsibility.

²The dates of the meetings in 1996 are going to be reviewed at the meeting of the Committee on Trade and Environment on 14-15 December 1995.

³The Committee's work also took into consideration several background documents prepared for the EMIT Group and the WTO Preparatory Committee's Sub-Committee on Trade and Environment.

the United Nations (UN), the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the International Monetary Fund (IMF), the United Nations Environment Program (UNEP), United Nations Development Program (UNDP), Commission for Sustainable Development (CSD), the Food and Agriculture Organization (FAO), the International Trade Centre (ITC), the Organization for Economic Cooperation and Development (OECD), and the European Free Trade Association (EFTA).

7. The Committee noted that the Secretariat had received several requests for information and advice from MEAs. There was no WTO procedure which would permit it to adequately reply to such requests and the establishment of new procedures went beyond the Committee's mandate and was of interest to the WTO in general. For this reason, the Chairman had referred this matter to the Chairman of the General Council who would be consulting on the issue.

8. Following a decision taken at the meeting of the Committee on Technical Barriers to Trade (CTBT) on 20 October 1995, the Committee agreed to convene joint informal meetings on eco-labelling with the CTBT. It was agreed that the Chairman would consult informally on the possibility of holding a joint meeting of the Committee and the CTBT possibly around the time of the December or February meeting of the Committee.

Annex 1

At its meeting on 16 February 1995, the Committee on Trade and Environment adopted the following schedule of meetings and programme of work:

- 6-7 April: - 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"
- Item 5: "the relationship between the dispute settlement mechanisms in the multilateral trading system and those found in multilateral environmental agreements"
- Item 10: "appropriate arrangements for relations with non-governmental organizations referred to in Article V of the WTO and transparency of documentation"
- 21-22 June: - Item 8: "TRIPS"
- Item 9: "Services"
- 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"
- early
September: - 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"
- late
October: - 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 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
- Stocktaking and planning program of work for 1995/1996

Annex 2

The Committee on Trade and Environment

The informal consultations made evident the following points:

That the stocktaking is more a process-related exercise than a substance-related analysis and, therefore, the result of this exercise has to be a detailed work programme to advance the CTE mandate, i.e. to produce a report:

- a) identifying the relationship between trade measures and environmental measures in order to promote sustainable development;
- (b) making recommendations on whether any modifications to WTO provisions are required, compatible with the open, equitable and non-discriminatory nature of the system; and
- (c) complying with the mandate of the Ministerial Decision on Trade in Services and Environment.

In order to establish a more focused but well balanced work programme, the Chairman submits the following proposals:

- (a) to keep all items on our agenda, but to move, whenever possible, from the discussion of agenda items to the analysis of those issues identified during the debate as the core of each item and, to that end, to organize our future work programme on the basis of the proposal submitted below;
- (b) to continue the process of analysis of these issues until May 1996, when a new review of the work programme will take place;
- (c) the list of issues identified next to each item is not necessarily exhaustive. Once the discussion of the identified issues is carried out by the Committee, Members would be free to raise other related issues under each agenda item at the same meeting;
- (d) As part of the work programme:
 - (i) joint informal meetings of the CTE and the CTBT are envisaged, subject to the agreement of the CTBT, to analyze the applicability of the TBT Agreement to eco-labelling and the possible need for further disciplines for eco-labelling;
 - (ii) all other issues identified in the table below and items in the agenda would be discussed in the Plenary but informal open-ended meetings, back to back to the Plenary, would be convened when a detailed analysis of a topic is necessary or a paper on a specific issue is submitted for discussion;

- (iii) some few studies/reports to be prepared by the Secretariat have been suggested in addition to those already in course. The Secretariat is encouraged to continue to cooperate closely with, and to take full advantage of available and forthcoming studies in, UNCTAD, UNEP and other intergovernmental institutions.

The Committee on Trade and Environment

<i>Item on the Work Programme</i>	<i>Issues</i>	<i>Studies</i>	<i>When to be discussed</i>
Item one: "The relationship between the provisions of the multilateral trading system and trade measures for environmental purposes, including those pursuant to multilateral environmental agreements"	<ul style="list-style-type: none"> - ensuring the compatibility of trade measures taken pursuant to MEAs and the WTO - adequacy of WTO transparency mechanisms concerning trade measures included in relevant MEAs - see item 5 		<p>26/27 October 95 early February 96 (7/8 February 96)</p> <p>26/27 October 95 early February 96 (7/8 February 96)</p>
<p>Item three: "The relationship between the provisions of the multilateral trading system and:</p> <p>(a) charges and taxes for environmental purposes</p> <p>(b) requirements for environmental purposes relating to products, including standards and technical regulations, packaging, labelling and recycling"</p>	<ul style="list-style-type: none"> - environmental taxes which could be adjusted at the border and their WTO-consistency - applicability of the TBT Agreement to eco-labelling - adequacy, from both the trade and environmental perspectives, of WTO rules regarding eco-labelling and possible need for further disciplines and transparency 	- gather information on national environmental taxes for the study	<p>26/27 October 95 early February 96 (7/8 February 96)</p> <p>Joint Informal Meetings of the CTE + CTBT****</p>

****Report to the CTE once work is completed.

<i>Item on the Work Programme</i>	<i>Issues</i>	<i>Studies</i>	<i>When to be discussed</i>
Item three (b) cont'd	<ul style="list-style-type: none"> - adequacy, from both the trade and environmental perspectives, of WTO rules regarding packaging, handling, and other environmental regulations, requirements and standards, including the possible need for further disciplines and transparency 		26/27 October 95 early February 96 (7/8 February 96)
Item four: "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"	<ul style="list-style-type: none"> - examination of the proposal that Members should establish environmental enquiry points - see items 1 and 3 		14/15 December 95 - item to be revisited in May 96, in order to determine whether and where further gaps in transparency existed
Item five: "The relationship between the dispute settlement mechanisms in the multilateral trading system and those found in multilateral environmental agreements"	<ul style="list-style-type: none"> - see item 1 - environmental expertise in trade dispute settlement - trade expertise in environmental dispute settlement 		early February 96 (7/8 February 95)
Item six: "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"	<ul style="list-style-type: none"> - the effect of environmental measures on market access - the environmental benefits of removing trade restrictions and distortions, including tariff escalation, subsidies, state trading, excessively high tariffs 	<ul style="list-style-type: none"> - environmental measures on market access and setting up of a mechanism to survey environmental measures 	mid March 96 (13/14 March 96) mid March 96 (13/14 March 96)

<i>Item on the Work Programme</i>	<i>Issues</i>	<i>Studies</i>	<i>When to be discussed</i>
Item seven: "The issue of exports of domestically prohibited goods"	- DPGs, and whether there is a need for a DPG Agreement		14/15 December 95
Item eight: "Trade-Related Aspects of Intellectual Property Rights and the environment"	<ul style="list-style-type: none"> - the relationship of the TRIPs Agreement to access to and transfer of technology and the development of environmentally-sound technology - the relationship between the TRIPs Agreement and MEAs which contain IPR-related obligations 	- analytical paper on factors affecting transfer of environmentally-sound technology	<p>end April 96 (17/18 April 96)</p> <p>end April 96 (17/18 April 96)</p>
Item nine: "Services and the environment"	<ul style="list-style-type: none"> - sufficiency of Article XIV of GATS - possible points of contact between relevant MEAs and GATS 		<p>early February 96 (7/8 February 96)</p> <p>early February 96 (7/8 February 96)</p>
Item two: "The relationship between environmental policies relevant to trade and environmental measures with significant trade effects and the provisions of the multilateral trading system"			May 96 (21/22 May 96)
Item ten: "Appropriate arrangements for relations with non-governmental organizations referred to in Article V of the WTO and transparency of documentation"			in the CTE ^{*****}

***** Once a decision is adopted by the General Council.

Annex 3

WT/CTE/W/1	Environmental benefits of removing trade restrictions and distortions (background paper prepared by the Secretariat for item 6)
WT/CTE/W/2	Submission by Chile on relationship between dispute settlement in WTO and in multilateral environmental agreements, with special reference to Convention on the Law of the Sea which in certain parts emphasises the provisions of the General Agreement on Tariffs and Trade (including dispute settlement)
WT/CTE/W/3	Report submitted by the Secretariat on its own responsibility to the Secretariat of the Commission on Sustainable Development for the meeting of the Third Session of the Commission on 11-28 April 1995
WT/CTE/W/4	Approaches to the relationship between the provisions of the multilateral trading system and trade measures pursuant to multilateral environmental agreements (background paper prepared by the Secretariat for item 1)
WT/CTE/W/5	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 (background paper prepared by the Secretariat for item 4)
WT/CTE/W/6	A description of international agreements and instruments dealing with trade in domestically prohibited goods and other hazardous substances (background paper prepared by the Secretariat for item 7)
WT/CTE/W/7	Secretariat's note on the results of the third session of the Commission on Sustainable Development
WT/CTE/W/8	Environment and TRIPS (background paper prepared by the Secretariat for item 8)
WT/CTE/W/9	Environment and services (background paper prepared by the Secretariat for item 9)
WT/CTE/W/10	Negotiating history of the coverage of the Agreement on Technical Barriers to Trade with regard to labelling requirements, voluntary standards, and processes and production methods unrelated to product characteristics (background paper prepared by the Secretariat for item 3)

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| WT/CTE/W/11 | Communication from the delegations of Nigeria and Senegal regarding the issue of domestically prohibited goods |
| WT/CTE/W/12 | Trade measures for environmental purposes taken pursuant to multilateral environmental agreements: recent developments (note prepared by the Secretariat) |