

Committee on Trade and Environment

RESULTS OF THE UN GENERAL ASSEMBLY SPECIAL SESSION
TO REVIEW THE IMPLEMENTATION OF AGENDA 21

Note by the Secretariat

1. The nineteenth special session of the UN General Assembly (referred to as UNGASS or the Earth Summit + 5) was held from 23-27 June 1997. The purpose of the session was to review progress in implementing Agenda 21 since the UN Conference on Environment and Development (UNCED) in 1992. Agenda 21 is the Programme of Action for Sustainable Development which was agreed at the UNCED. The focus of the UNGASS was on the need to: (a) revitalize and energize commitment to the concept of sustainable development; (b) recognize failures to meet certain goals and identify reasons for failure; (c) boost implementation of the Rio commitments through means including the identification of innovative approaches to cooperation and financial assistance, and through concrete proposals for action; (d) agree on the Commission on Sustainable Development's (CSD) Programme of Work for 1998-2002; and (e) raise the profile of issues that were not sufficiently addressed in Rio, or where significant developments have taken place since then.

2. The outcome of the UNGASS was the adoption of a *Programme for the further implementation of Agenda 21*, which was forwarded to the UN Economic and Social Council during its session from 30 June-25 July 1997. The *Programme for the further implementation of Agenda 21* contains four parts: (a) statement of commitment; (b) assessment of progress made since the UNCED; (c) implementation in areas requiring urgent action; and (d) international institutional arrangements.¹ It sets out the CSD's multi-year programme of work for 1998-2002, for which the overriding issues will be poverty and consumption and production patterns.

3. Of specific relevance to the Committee on Trade and Environment's work is the section on "Making Trade and Environment Mutually Supportive" (paragraph 29). Reference also is made to the CTE in the section on "International Institutional Arrangements" (paragraph 127). These and other relevant paragraphs are attached as an Annex to this Note.

4. The section on "Energy" refers to the need for policies which promote environmental cost internalization so as to achieve more sustainable energy use to take into account the special and differential treatment accorded to developing countries in the WTO Agreement on Subsidies and Countervailing Measures (paragraph 46(g)).

5. Reference in the section on "Land and Sustainable Agriculture" is made to the "need to support the continuation of the reform process in conformity with the Uruguay Round Agreements, particularly Article 20 of the Agreement on Agriculture, and to fully implement the WTO Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries" (paragraph 63).

¹The full text of the *Programme for the Further Implementation of Agenda 21* is available at the following Internet address: gopher://gopher.un.org:70/00/ga/docs/S-19/plenary/AS19.

6. The CSD has also been mandated to "establish closer interaction with international financial, development and trade institutions, as well as with other relevant bodies within and outside the United Nations system, including the World Bank, GEF, UNDP, WTO, UNCTAD and UNEP, which, in turn, are invited to take full account of the results of policy deliberations in the Commission and to integrate them in their own work programmes and activities" (paragraph 133(d)).

7. An ad hoc, open-ended Intergovernmental Forum on Forests was established under the aegis of the CSD. The Forum on Forests has a mandate to, *inter alia*, "identify the possible elements of and work towards consensus for international arrangements and mechanisms, for example a legally binding instrument. The Forum will report on its work to the CSD in 1999. Based on that report, and depending on the decision of the CSD at its eighth session, the Forum will engage in further action on establishing an intergovernmental negotiation process on new arrangements and mechanisms or a legally binding instrument on all types of forests" (paragraph 40).

8. An open-ended Intergovernmental Group of Experts on Energy and Sustainable Development was established under the aegis of the CSD (paragraph 46) which should contribute by, *inter alia*, "encouraging Governments and the private sector to consider appropriate ways to gradually promote environmental cost internalization so as to achieve more sustainable use of energy, taking fully into account the economic, social and environmental conditions of all countries, in particular developing countries. [...] There is also a need to encourage the reduction and the gradual elimination of subsidies for energy production and consumption that inhibit sustainable development. Such policies should take fully into account the specific needs and conditions of developing countries, particularly least-developed countries, as reflected in the special and differential treatment accorded them in the Uruguay Round of Multilateral Trade Negotiations Agreement on Subsidies and Countervailing Measures" (paragraph 46 (g)).

9. In preparation for the UNGASS, the CSD held its fifth session from 7-25 April 1997. In response to Resolution 50/95 of the General Assembly, which invited the WTO to provide a report of its work on trade, environment and sustainable development to the UNGASS through the CSD, the Committee on Trade and Environment forwarded its 1996 Report to the Ministerial Conference (WT/CTE/1).

10. In its capacity as the CSD's task manager for trade and environment, UNCTAD forwarded a *Report on trade and environment matters* to the UNGASS through the CSD (A/S-19/4; E/1997/13).

ANNEXSelect references from the *Programme for the Further Implementation of Agenda 21*

Adopted by the nineteenth special session
of the General Assembly (UNGASS)
23-27 June 1997

Making Trade and Environment Mutually Supportive

29. In order to accelerate economic growth, poverty eradication and environmental protection, particularly in developing countries, there is a need to establish macroeconomic conditions in both developed and developing countries that favour the development of instruments and structures enabling all countries, in particular developing countries, to benefit from globalization. International cooperation and support for capacity-building in trade, environment and development should be strengthened through renewed system-wide efforts, and with greater responsiveness to sustainable development objectives, by the United Nations, the World Trade Organization (WTO), the Bretton Woods institutions, as well as by national Governments. There should be a balanced and integrated approach to trade and sustainable development, based on a combination of trade liberalization, economic development and environmental protection. Trade obstacles should be removed with a view to contributing to achieving more efficient use of the earth's natural resources in both economic and environmental terms. Trade liberalization should be accompanied by environmental and resource management policies in order to realize its full potential contribution to improved environmental protection and the promotion of sustainable development through the more efficient allocation and use of resources. The multilateral trading system should have the capacity to further integrate environmental considerations and enhance its contribution to sustainable development, without undermining its open, equitable and non-discriminatory character. The special and differential treatment for developing countries, especially the least developed countries, and the other commitments of the Uruguay Round of multilateral trade negotiations should be fully implemented in order to enable those countries to benefit from the international trading system, while conserving the environment. There is a need for continuing the elimination of discriminatory and protectionist practices in international trade relations, which will have the effect of improving access for the exports of developing countries. This will also facilitate the full integration of economies in transition into the world economy. In order to make trade, environment and development mutually supportive, measures need to be taken to ensure transparency in the use of trade measures related to the environment, and should address the root causes of environmental degradation so as not to result in disguised barriers to trade. Account should be taken of the fact that environmental standards valid for developed countries may have unwarranted social and economic costs in other countries, in particular developing countries. International cooperation is needed and unilateralism should be avoided. The following actions are required:

- (a) timely and full implementation of the results of the Uruguay Round of Multilateral Trade Negotiations¹¹ and full use of the Comprehensive and Integrated WTO Plan of Action for the Least Developed Countries¹²;
- (b) promotion of an open, non-discriminatory, rule-based, equitable, secure, transparent and predictable multilateral trading system. In this context, effective measures are

¹¹"Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts", (Geneva, GATT Secretariat, 1994).

¹²Adopted by the WTO Ministerial Meeting held at Singapore in December 1996.

called for to achieve the complete integration of developing countries and countries with economies in transition into the world economy and the new international trading system. In this connection, there is a need to promote the universality of WTO and to facilitate the admission to membership in that organization in a mutually beneficial way, of developing countries and countries with economies in transition applying for membership. Actions should be taken to maximize the opportunities and to minimize the difficulties of developing countries, including the net food-importing ones, especially the least developed countries, and of countries with economies in transition in adjusting to the changes introduced by the Uruguay Round. Decisions on further liberalization of trade should take into account effects on sustainable development and should be consistent with an open, rule-based, non-discriminatory, equitable, secure and transparent multilateral trading system. The relationship between multilateral environmental agreements and the WTO rules should be clarified;

- (c) implementation of environmental measures should not result in disguised barriers to trade;
- (d) within the framework of Agenda 21, trade rules and environmental principles should interact harmoniously;
- (e) further analysis of the environmental effects of the international transport of goods is warranted;
- (f) cooperation and coordination between the United Nations Conference on Trade and Development (UNCTAD), United Nations Industrial Development Organization (UNIDO), WTO, UNEP and other relevant institutions should be strengthened on various issues, including (i) the role of positive measures in multilateral environmental agreements as part of a package of measures including, in certain cases, trade measures; (ii) the special conditions and needs of small and medium-sized enterprises in the trade and environment interface; (iii) trade and environment issues at the regional and subregional levels, including in the context of regional economic and trade as well as environmental agreements;
- (g) cooperation and coordination between UNCTAD and other relevant bodies within their existing respective mandates should be enhanced, *inter alia*, on environment and sustainable development issues. Without prejudice to the clear understanding in WTO that future negotiations, if any, regarding a multilateral agreement on investment will take place only after an explicit consensus decision, future agreements on investments should take into account the objectives of sustainable development and, when developing countries are parties to these agreements, special attention should be given to their needs for investment;
- (h) national Governments should make every effort to ensure policy coordination on trade, environment and development at the national level in support of sustainable development;
- (i) there is a need for the WTO, UNEP and UNCTAD to consider ways to make trade and environment mutually supportive, including through due respect to the objectives and principles of the multilateral trading system and to the provisions of multilateral environmental agreements. Such considerations should be consistent with an open, rule-based, non-discriminatory, equitable, secure and transparent multilateral trading system.

Forests

40. To help achieve this, it is decided to continue the intergovernmental policy the intergovernmental policy dialogue on forests through the establishment on an ad hoc, open-ended Intergovernmental Forum on Forests under the aegis of the Commission on Sustainable Development to work in an open, transparent and participatory manner, with a focused and time-limited mandate, charged with, *inter alia*:

- (a) promoting and facilitating the implementation of the Panel's proposals for action;
- (b) reviewing, monitoring and reporting on progress in the management, conservation and sustainable development of all types of forests;
- (c) considering matters left pending on the programme elements of the IPF, in particular trade and environment in relation to forest products and services, transfer of technology and the need for financial resources.

The Forum should also identify the possible elements of and work towards consensus for international arrangements and mechanisms, for example a legally binding instrument. The Forum will report on its work to the Commission for Sustainable Development in 1999. Based on that report, and depending on the decision of the Commission at its eighth session, the Forum will engage in further action on establishing an intergovernmental negotiation process on new arrangements and mechanisms or a legally binding instrument on all types of forests.

Energy

46. Therefore there is a need for:

- (a) a movement towards sustainable patterns of production, distribution and use of energy. To advance this work at the intergovernmental level, the Commission on Sustainable Development will discuss energy issues at its ninth session. Noting the vital role of energy in the continuation of sustained economic growth, especially for developing countries, be they importers or suppliers of energy, and recognizing the complexities and interdependencies inherent in addressing energy issues within the context of sustainable development, preparations for this session should be initiated at the seventh session and should utilize an open-ended Intergovernmental Group of Experts on energy and sustainable development to be held in conjunction with inter-sessional meetings of the eighth and ninth sessions of the Commission. In line with the objectives of Agenda 21, the ninth session of the Commission should contribute to a sustainable energy future for all;
- (g) encouraging Governments and the private sector to consider appropriate ways to gradually promote environmental cost internalization so as to achieve more sustainable use of energy, taking fully into account the economic, social and environmental conditions of all countries, in particular developing countries. In this regard, the international community should cooperate to minimize the possible adverse impacts on the development process of developing countries resulting from the implementation of those policies and measures. There is also a need to encourage the reduction and the gradual elimination of subsidies for energy production and consumption that inhibit sustainable development. Such policies should take fully into account the specific needs and conditions of developing countries, particularly least-developed countries, as reflected in the special and differential treatment accorded them in the Uruguay Round of Multilateral Trade Negotiations Agreement on Subsidies and Countervailing Measures.

Land and Sustainable Agriculture

63. It remains essential to continue efforts for the eradication of poverty through, *inter alia*, capacity-building to reinforce local food systems, improving food security and providing adequate nutrition for the more than 800 million undernourished people in the world, located mainly in developing countries. Governments should formulate policies that promote sustainable agriculture as well as productivity and profitability. Comprehensive rural policies are required to improve access to land, combat poverty, create employment and reduce rural emigration. In accordance with commitments agreed to in the Rome Declaration on World Food Security and the World Food Summit Plan of Action, adopted by the World Food Summit (Rome, 13-17 November 1996)²⁶, sustainable food security among both the urban and the rural poor should be a policy priority, and developed countries and the international community should provide assistance to developing countries to this end. To meet those objectives, Governments should attach high priority to implementing the commitments of the Rome Declaration and Plan of Action, especially the call for a minimum target of halving the number of undernourished people in the world by the year 2015. Governments and international organizations are encouraged to implement the Global Plan of Action for the Conservation and Sustainable Utilization of Plant Genetic Resources (Leipzig, Germany, 17-23 June 1996). At the sixth session of the Commission on Sustainable Development, in 1998, the issues of sustainable agriculture and land use should be considered in relation to freshwater. The challenge for agricultural research is to increase yields on all farmlands while protecting and conserving the natural resource base. The international community and Governments must continue or increase investments in agricultural research because it can take years or decades to develop new lines of research and bring those research findings into sustainable practice on the land. Developing countries, particularly those with high population densities, will need international cooperation to gain access to the results of such research and to technology aimed at improving agricultural productivity in limited spaces. More generally, international cooperation continues to be needed to assist developing countries in many other aspects of basic requirements of agriculture. There is a need to support the continuation of the reform process in conformity with the Uruguay Round Agreements, particularly Article 20 of the Agreement on Agriculture, and to fully implement the WTO Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.

International Institutional Arrangements

127. The WTO Committee on Trade and Environment, UNCTAD and UNEP should advance their coordinated work on trade and environment, involving other appropriate international and regional organizations in their cooperation and coordination. In coordination with WTO, UNCTAD and UNEP should continue to support efforts to promote the integration of trade, environment and development. The Commission on Sustainable Development should continue to play its important role in the deliberations on trade and environment to facilitate the integrated consideration of all factors relevant for achieving sustainable development.

Methods of Work of the Commission on Sustainable Development

133. Based on the experience gained during the period 1993-1997, the Commission, under the guidance of the Economic and Social Council, should:

- (d) establish closer interaction with international financial, development and trade institutions, as well as with other relevant bodies within and outside the United Nations

²⁶"Report of the World Food Summit, Rome, 13-17 November 1996, Part One" (WFS 96/REP) (Rome, Food and Agriculture Organization of the United Nations, 1997), appendix.

system, including the World Bank, GEF, UNDP, WTO, UNCTAD and UNEP, which, in turn, are invited to take full account of the results of policy deliberations in the Commission and to integrate them in their own work programmes and activities.