GATT SYMPOSIUM ON TRADE AND ENVIRONMENT

10-11 June 1994

There has been an excellent response to the public symposium on trade and environment that the Secretariat is organising on 10-11 June in the GATT building. NGOs from the environmental, consumer, development and business communities, as well as interested individuals are now registered to participate and space limitations preclude us from accepting any further applications.

As noted in Let/1833, space has been reserved for members of national delegations who wish to participate in their personal capacities in the symposium. More than one hundred delegates from fifty two delegations have indicated their interest in participating in this way (a list of the delegations concerned is attached). Fifty seats are being reserved in the Council room for members of national delegations. Clearly this implies the presence of no more than one person per delegation in the Council Room. In many cases more than one person per delegation has been registered, and in some instances we have received applications from five or more persons from the same delegation. Arrangements have been made for the video system in Room D to be available, and we would urge delegations to take advantage of this by seating in Room D all registered participants from their delegation over and above the one person they will seat in the Council Room. We would also respectfully ask delegations which are not Contracting Parties to the GATT to seat their representatives in Room D. Your cooperation in this matter would be very much appreciated, since it would be unfortunate if we were to find that some of the registered participants from the general public were unable to find somewhere to sit in the Council Room.

A revised programme of the symposium is attached. The background documents that have been sent to all participants from the general public to help inform their participation in the symposium are the Marrakesh Decision on Trade and Environment (MTN.TNC/W/141), the Report by Ambassador H. Ukawa, Chairman of the Group on Environmental Measures and International Trade, to the 49th Session on the CONTRACTING PARTIES (L/7402), and the Note by the GATT Secretariat prepared for the Second Meeting of the Commission on Sustainable Development, 16-31 May 1994 (LET/1873). Copies of the Final Act will be available at the symposium.

Technical Barriers to Trade and Trade and Environment Division

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The Decision on Trade and Environment, adopted by Ministers at their meeting in Marrakesh in April to conclude the Uruguay Round, includes agreement to establish a Committee on Trade and Environment which will address the linkages between trade, environment and sustainable development in the World Trade Organisation (WTO). The Committee’s terms of reference provide it with a broad-based mandate, covering all areas of the multilateral trading system -- goods, services and intellectual property rights. Its functions will be both analytical and prescriptive in nature. Further, the seven elements of the initial work programme, within which any relevant issue may be raised, allow for flexibility and breadth in the Committee’s work.

As the intergovernmental work programme in GATT on trade and environment moves into its new phase under the WTO, the GATT Secretariat will convene, under its own responsibility, a public symposium on trade, environment and sustainable development. The symposium has two objectives. First, to respond to public interest by providing information on how this subject is being handled in the GATT/WTO. Second, to bring together recognized experts in the field to examine and debate the role that trade policies can play in environmental protection and conservation and in accelerating sustainable development. In order to have a full discussion of the issues, particular attention has been given to ensuring the participation of NGOs from developing countries.

The symposium will focus on three broad, substantive areas of the debate and panels of experts are being organised to stimulate discussion in each area. The first area will explore different perspectives on the linkages between trade liberalization and environmental protection and how reconciliation of these two policy objectives will accelerate sustainable development. A critical element to any reconciliation will likely involve the concept of cost internalization. This is the second area the symposium will address. There are a variety of policy mechanisms through which environmental costs can be reflected in the value of goods and services, each with its own implications for the international trading system.

Internationalization of environmental costs can be most effectively achieved through multilateral cooperative efforts, the third broad area proposed for discussion. In this context, the GATT is, and the WTO will remain, an instrument which functions on the basis of multilateral cooperation and consensus. Successful conclusion of the Uruguay Round is an example of how, through such cooperation, nations can harness benefits, specific to their individual needs, that can only emanate from global action as opposed to each country acting on its own behalf. The new challenge is to extend multilateral cooperation in the fields of environmental protection and trade with the aim of accelerating sustainable development.

Attached is the provisional programme of the symposium including invited panellists.
Opening Remarks: The WTO -- Trade and Environment after the Uruguay Round

9:00-9:15 Peter Sutherland, Director General

Introductory Session

The Secretariat will explain the developments that led to the Ministerial Decision on Trade and Environment, describe the substance of the Decision, and indicate how the work programme is likely to develop. To the best of its ability, the Secretariat will answer questions from participants on any aspects of interest or concern in the area of GATT’s work to date on trade and environment in the Group on Environmental Measures and International Trade and on the WTO’s future work programme.

9:15-9:30 GATT Secretariat

9:30-10:30 Questions

10:30-11:00 Break
Session I: Trade Liberalization, Environmental Protection and Sustainable Development

This session will aim to explore different perspectives on the linkages between trade liberalization and environmental protection and how the reconciliation of these two policy objectives can contribute to sustainable development.

Views differ regarding the impact of international trade and trade liberalization on the environment. One which is in line with the Brundtland Commission and the UNCED results is that trade liberalization can and should contribute to the more efficient allocation of resources and to an expansion of the financial and technological resource base, and so enable countries to better protect their environment. Concluding the Uruguay Round negotiations was, in this regard, a significant achievement and attention needs now to be paid to securing further market opening in traditional and not-so-traditional areas of trade. On the other hand, concern is expressed that unrestricted trade may lead to environmental damage, especially when a country has weak environmental policies.

Panel 1

11:00 - 11:30 Stewart Hudson, National Wildlife Federation, USA

Ravi Sharma, Centre for Science and Environment, India

David Runnalls, Institute for Research on Public Policy, Canada

11:30-12:45 Discussion

12:45-14:00 LUNCH

Panel 2

14:00-14:40 Philippe Sands, Foundation for International Environmental Law and Development, United Kingdom

Karin Nansen, RED de Ecologia Social, Uruguay

Dariusz Szwed, Cracow Group of Green Federation, Poland

14:40-15:30 Discussion

15:30-16:00 Break
Session II: The Internalization of Environmental Costs and the Implications for the Trading System

The need to assign proper values and prices to environmental resources to reflect their true scarcity is important in the context of environmental protection and sustainable development. Internalizing the costs associated with the use of environmental resources is the way market forces will be able to allocate those resources and policymakers will be able to identify and, where necessary, correct for the effects of economic activity on the environment. Failure to place a value on environmental resources and incorporate this in the prices of goods and services can undermine the pursuit of sustainable development. In this case, expanding trade may magnify the exploitation of the environmental resources. However, it is not necessarily the root of the problem. If appropriate values are attached to environmental resources, trade can promote development that is sustainable. As a result, cost internalization is a critical element in the reconciliation of trade and environmental policies.

This session will be devoted to examining the variety of policy instruments through which environmental costs can be reflected in the value of goods and services and the implications of these instruments for the international trading system. One implication could be the possible effect of cost internalization on competitiveness. The policy instruments available can be categorized roughly as economic instruments which work through market forces, or regulatory (command or control) instruments. The first category might include fiscal measures such as charges, taxes or subsidies, assignment of property rights for environmental resources which are public goods, tradeable permits and voluntary eco-labelling schemes. The second category might include direct regulations such as mandatory requirements and standards designed to ensure that all aspects of a product's life-cycle are reflected in the product price, as well as any related import or quantitative restrictions. The special concerns and issues that arise with respect to developing countries and developing country producers warrant particular attention.

Panel 3
16:00-16:30 Janine Ferretti, Pollution Probe, Canada
Ricardo Meléndez, Fundación Futuro Latinoamericano, Ecuador
Jeffrey McNeely, International Union for the Conservation of Nature, Switzerland
16:30-18:00 Discussion

Saturday, 11 June 1994

Panel 4
9:00-9:30 Pradeep Mehta, Consumer Unity and Trust Society, India
David Schorr, World Wide Fund for Nature, USA
Geoffrey Elliot, Noranda Forest Inc., Canada
9:30-10:30 Discussion
10:30-11:00 Break
Session III: International Cooperation

The internalization of environmental costs at the international level can be achieved most effectively through multilateral cooperative efforts. Such efforts need to address, among other things, the impact of environmental policies on international competitiveness, the extension of jurisdiction over other nations' environmental priorities and practices, the transborder spillover of pollution into another country, and exploitation of resources constituting the global commons. Multilateral cooperation can help to minimize potential trade frictions and identify and implement workable and effective solutions to regional and global environmental problems.

This session will also examine the post-UNCED trends concerning international efforts to reach consensus on environmental issues. Generally, multilateral environmental agreements (MEAs) provide the institutional framework and the financial and technological incentives necessary to foster sustainable development in the area concerned. Certain existing MEAs include trade provisions, such as the Montreal Protocol on Ozone-depleting Substances, the Convention on International Trade in Endangered Species (CITES), and the Basel Convention on the Movement of Hazardous Wastes. Other international agreements, such as the renegotiated International Tropical Timber Agreement (ITTA), have rejected the use of trade measures in favour of positive incentives to further the sustainable management of environmental resources.

Panel 5

11:00-11:30  Martin Khor, Third World Network, Malaysia
Grant Hewison, Auckland Institute of Technology, New Zealand
Arthur Dahl, United Nations Environment Programme, Switzerland

11:40-12:45  Discussion
12:45-14:00  LUNCH

Panel 6

14:00-14:30  Richard Sandbrook, International Institute for Environment and Development, United Kingdom
Vandana Shiva, Research Foundation for Science, Technology and Natural Resources Policy, India
Taparendava Maveneke, Campfire Association, Zimbabwe
Gustavo Alanis Ortega, Centro Mexicano de Derecho Ambiental, Mexico

14:30-15:30  Discussion
15:30-16:00  Break
16:00-17:00  Concluding Discussions
17:00-17:15  Closing Remarks