

TARIFFS AND TRADE

DRAFT

AGENDA-21 FOLLOW-UP ACTIVITIES IN GATT

Note Prepared by the GATT Secretariat for the Information
of the Commission on Sustainable Development at
its Meeting on 14-25 June 1993

1. The GATT Council of Representatives was informed at its meeting in July 1992 of the results of the United Nations Conference on Environment and Development (UNCED) as they relate to trade and the multilateral trading system; these were reported on to the Council by the GATT Secretariat¹. The Chairman of the Council of Representatives, following extensive consultations with Council members, made proposals in a statement to the annual Session of the GATT CONTRACTING PARTIES in December 1992 on how to proceed in GATT by way of a follow-up to the recommendations of the UNCED in the area of trade. His proposals were agreed to by the CONTRACTING PARTIES.
2. In his statement, the Chairman of the Council of Representatives said that it was clear that GATT Contracting Parties welcomed warmly the Rio Declaration and the progress that has been made by the UNCED in fostering further multilateral cooperation, and were determined that GATT should play its full part in ensuring that policies in the fields of trade, the environment and sustainable development are compatible and mutually reinforcing.
3. GATT's competence is limited to trade policies and those trade-related aspects of environment policies which may result in significant trade effects for GATT Contracting Parties. In respect neither of its vocation nor of its competence is the GATT equipped to become involved in the tasks of reviewing national environmental priorities, setting environmental standards or developing global policies on the environment.
4. Nevertheless, the multilateral trading system does have a central role to play in supporting an open international economic system and fostering economic growth and sustainable development, especially in the developing countries, to help address the problems of environmental degradation and the over-exploitation of natural resources.

¹GATT document L/6892/Add.3 of 2 July 1992.

5. The importance attached by the UNCED to a successful outcome of the Uruguay Round negotiations was particularly welcomed. That remains the top priority for GATT Contracting Parties. It holds the key to the liberalization of trade and the maintenance of an open, non-discriminatory multilateral trading system, which are main elements of the framework for international cooperation that are being sought to protect the environment and to accelerate sustainable development in developing countries.

6. Also, the special concerns that have been raised by the UNCED about the need to improve market access for developing countries' exports, particularly by reducing tariff and non-tariff impediments, including tariff escalation, and to improve the functioning of commodity markets are well recognised.

7. The GATT Committee on Trade and Development has been invited by the CONTRACTING PARTIES to take on board within the scope of its terms of reference, including the decision of the CONTRACTING PARTIES at their Thirty-Fifth Session (1979) to strengthen the Committee's role, those matters raised by the UNCED in the context of promoting sustainable development through trade liberalization (Agenda 21, Chapter 2: Introduction and Section A).

8. The GATT Group on Environmental Measures and International Trade is closely involved, within the scope of its terms of reference, in work in GATT on the UNCED follow-up with respect to making trade and environment policies mutually supportive (Agenda 21, Chapter 2: Introduction and Section B). Keeping in view that Chapter 2 of Agenda 21 relates to accelerating sustainable development, and giving close attention to the objectives set out for governments in Chapter 2.21, particularly sub-paragraph 2.21(b), the Group is to examine and take into account the propositions and principles enumerated in Chapter 2.22 of Agenda 21, bearing in mind that the Council of Representatives, in discharging the responsibilities of the CONTRACTING PARTIES between Sessions, is the responsible GATT body for matters relating to inter-institutional and other external relations (Chapter 2.22 (a), (b), (h), and (k) of Agenda 21).

9. The Council of Representative's decision (C/M/251) to extend the mandate of the Working Group on Export of Domestically Prohibited Goods and Other Hazardous Substances for a period of three months, beginning from the date of the Group's next meeting, and to authorise the Chairman of the Council of Representatives to consult on the timing of that meeting has also been recalled in the context of the UNCED follow-up.

10. The Committee on Trade and Development and the Group on Environmental Measures and International Trade have been meeting during the course of 1993 on the matters related to UNCED follow-up that were referred to them by the GATT CONTRACTING PARTIES.

11. In November 1993, the Council of Representatives will hold a meeting devoted to this issue to review, and as necessary supplement, the work that is underway in GATT relating to the UNCED follow-up. The Committee on Trade and Development and the Group on Environmental Measures and International Trade will contribute to that review by reporting to the meeting on the progress they are making with the matters referred to them above.