

## REPORT (2002) OF THE COMMITTEE ON TRADE AND ENVIRONMENT

1. At its first meeting in March 2002, the Committee on Trade and Environment (CTE) confirmed the appointment of Ambassador Oğuz Demiralp (Turkey) as its Chairman, and agreed to hold three meetings during 2002, back-to-back with the meetings of the Special Sessions of the CTE.
2. The CTE continued its analysis of the items of the Marrakesh Ministerial Decision on Trade and Environment. Following the Doha Ministerial Declaration, the CTE restructured its work along the lines of the mandate in Paragraph 32<sup>1</sup> so as to focus, in particular, on market access, the relevant provision of TRIPS, and labelling requirements for environmental purposes. Members also discussed technical assistance, capacity building and environmental reviews, pursuant to Paragraph 33. Under Paragraph 51, Members discussed how to approach the mandate of identifying and debating developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected. Paragraphs 33 and 51 were discussed at each of the three meetings while one meeting was dedicated to each of the three specific issues under Paragraph 32.
3. The meeting on **21 March 2002** addressed the cluster of market access in the framework of Paragraph 32(i). The CTE discussed the market access effects of environmental measures and the importance of maintaining market access, in particular for developing countries. The CTE was informed of activities undertaken by the UNCTAD and the OECD on this issue. The CTE also addressed the sectors of agriculture and energy and deepened its analysis of the fisheries sector on the basis of a paper submitted by New Zealand (WT/CTE/W/204). The UNEP and the FAO briefed the CTE on their activities on fisheries and the UNEP distributed a paper (WT/CTE/W/205). Under the cluster of the linkages between the multilateral environmental and trade agendas (items 1 & 5), the Secretariat prepared a revised note on GATT/WTO dispute settlement practice relating to GATT Article XX paragraphs (b), (d) and (g) (WT/CTE/W/203). Discussions were also held on Paragraph 33, primarily on technical assistance and capacity building. The UNEP and UNCTAD informed the CTE of their capacity building activities in this regard. Finally, Members commented on the mandate under Paragraph 51 and agreed to include it as a standing item on the agenda of the CTE.
4. The focus of the meeting held on **13-14 June 2002** was on Paragraph 32(ii) regarding the relevant provisions of the Agreement on Trade-Related Intellectual Property Rights (TRIPS). The United States introduced two papers in contribution to this discussion (IP/C/W/257 and IP/C/W/341). The CBD Secretariat circulated a paper on the relationship between the TRIPS Agreement, the CBD and protection of traditional knowledge and folklore (WT/CTE/W/210-IP/C/W/347/Add.1). UNCTAD presented a Communiqué on its international seminar on systems for the protection and commercialization of traditional knowledge (WT/CTE/W/214-IP/C/W/350). Discussion also took place on Paragraph 32(i) on the basis of a paper circulated by India on environmental requirements and their effect on market access for developing countries (WT/CTE/W/207). The OECD and UNEP updated the CTE on their work in this area. Under the sectoral review, Japan contributed a paper on forestry issues (WT/CTE/W/211) and the representative of Saudi Arabia (Observer) made a

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<sup>1</sup> Paragraph numbers refer to those of the Doha Ministerial Declaration unless otherwise stated.

presentation on Energy taxation in OECD countries and their potential economic impacts. And, on Paragraph 32(iii), the European Communities presented a paper on labelling (WT/CTE/W/212-G/TBT/W/174).

5. Under item 4 on transparency, the Secretariat updated the WTO Environmental Database (EDB) for the year 2001 (WT/CTE/EDB/1 and Corr.1).

6. On Paragraph 33, the CTE discussed technical assistance and capacity building and UNCTAD drew the attention of the CTE to its activities on this issue. Also, the European Communities presented its work on Sustainability Impact Assessment (WT/CTE/W/208-WT/COMTD/W/99-TN/TE/W/3). On Paragraph 51, the Chairman reported on the informal consultations that had been held. The importance of Paragraph 51 was stressed and Members decided to have an overview of the environmental aspects of the negotiations as a whole at the October meeting.

7. On 13 June 2002, the CTE held an Information Session with Secretariats of MEAs focusing on technical assistance, capacity building and information exchange. UNEP circulated its report on how to enhance synergies and mutual supportiveness among trade and environmental policies, rules and institutions (WT/CTE/W/213) as well as the Chairman's summary of the workshop on capacity building convened by UNEP back-to-back with the meeting of the CTE in March 2002 (WT/CTE/W/206). The WTO and UNEP Secretariats, in cooperation with MEA Secretariats, prepared a background paper on technical assistance, capacity building and enhancing information exchange (WT/CTE/W/209). Representatives of the following MEA Secretariats presented their technical assistance and capacity building activities:

- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- UNEP Chemicals (on the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants);
- UN Framework Convention on Climate Change (UNFCCC);
- Convention on Biological Diversity (CBD);
- Basel Convention on Transboundary Movements of Hazardous Wastes and their Disposal;
- International Tropical Timber Organization (ITTO);
- UN Forum on Forests (UNFF); and
- UN Division for Ocean Affairs and the Law of the Sea (on the Convention on the Law of the Sea and the Fish Stocks Agreement).

8. At the **8 October 2002** meeting of the CTE, Members focused discussions on Paragraph 32(iii) concerning labelling requirements for environmental purposes. The debate included discussions on a non-paper submitted by Switzerland on labelling for environment purposes.<sup>1</sup> Under Paragraph 32(i), Members continued their discussion of the paper circulated by India (in June) on environmental requirements and their effect on market access for developing countries (WT/CTE/W/207). Under the sectoral review, Members discussed a paper circulated by Saudi Arabia on energy taxation, subsidies and incentives in OECD countries and their economic and trade implications on developing countries, in particular developing oil producing and exporting countries (WT/CTE/W/215-TN/TE/W/9). Discussions were also held on Paragraph 32(ii). Under the cluster of the linkages between the multilateral environmental and trade agendas (items 1 & 5), UNEP and CITES made a statement. Under item 2, the OECD briefed the CTE on its report on "Uncertainty and Precaution: Implications for Trade and Environment". Under item 9, the Secretariat prepared a discussion paper on the environmental effects of services trade liberalization (WT/CTE/W/218).

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<sup>1</sup> This non-paper was subsequently circulated as document WT/CTE/W/219.

9. Under Paragraph 33, the Secretariat reported on its technical assistance and capacity building activities in 2002 (WT/CTE/W/216) and discussions took place on the national environmental reviews' aspect of Paragraph 33. The CTE held a general discussion under Paragraph 51.

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