

**Committee on Trade and Environment  
Special Session**

**SUMMARY REPORT ON THE MEA INFORMATION SESSION  
ON PARAGRAPH 31 (II) OF THE DOHA DECLARATION**

**12 NOVEMBER 2002**

Note by the Secretariat

<b>I.</b>	<b>PRESENTATIONS BY MEAs .....</b>	<b>4</b>
A.	UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC) .....	4
B.	CONVENTION ON BIOLOGICAL DIVERSITY (CBD) AND CARTAGENA PROTOCOL ON BIOSAFETY .....	5
C.	UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP).....	8
D.	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 .....	10
E.	INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO) .....	11
F.	UNITED NATIONS FORUM ON FORESTS (UNFF) .....	14
G.	BASEL CONVENTION ON THE CONTROL OF TRANSBOUNDARY MOVEMENTS OF HAZARDOUS WASTES AND THEIR DISPOSAL .....	16
<b>II.</b>	<b>COMMENTS AND QUESTIONS.....</b>	<b>18</b>

1. An Information Session with Secretariats of Multilateral Environmental Agreements (MEAs) was held by the CTE Special Session (CTESS) on 12 November 2002. The focus of the Session was on paragraph 31(ii) of the Doha Ministerial Declaration which reads: "With a view to enhancing the mutual supportiveness of trade and environment, [Ministers] agree to negotiations, without prejudging their outcome, on: ... (ii) procedures for regular information exchange between MEA Secretariats and the relevant WTO committees, and the criteria for the granting of observer status".

2. The Chairperson noted that this mandate given by Ministers at the Doha Ministerial Conference, demonstrated the importance which the WTO attached to cooperation and information exchange with MEAs and the UNEP. Discussions in the CTESS had already started on this part of the mandate and many useful views had been exchanged. In these discussions, all Members had emphasized the importance of cooperation and information exchange with MEAs, and suggestions had been made on how to build on existing forms of cooperation.

3. The following seven organizations participated in the MEA Information Session:

- The United Nations Framework Convention on Climate Change (UNFCCC);
- the Convention on Biological Diversity (CBD) and its Biosafety Protocol;
- the United Nations Environment Programme (UNEP);
- the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention) and the Stockholm Convention on Persistent Organic Pollutants (Stockholm Convention);
- the International Tropical Timber Organization (ITTO);
- the United Nations Forum on Forests (UNFF); and
- the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention).

4. The WTO Secretariat made a presentation on the existing forms of cooperation and information exchange between the WTO, UNEP and MEAs.<sup>1</sup>

5. Concerning the first part of this mandate, the WTO Secretariat outlined its activities of cooperation and information exchange involving MEAs and UNEP. It mentioned the existing arrangements between the United Nations and the WTO in general, and between UNEP and the WTO in particular. The arrangement concluded in September 1995 between the WTO and the United Nations represented a flexible framework which allowed for exchange of information, reciprocal representation, and general cooperation between secretariats. More specifically in the environment field, a cooperation arrangement had been concluded between the WTO and UNEP in November 1999 at the Seattle Ministerial Conference. In this arrangement, recognition was given to the importance of cooperation and collaboration between the two Secretariats with respect to their work on issues of mutual interest. More precisely, the objectives of this arrangement were the following: to further effective cooperation; to help achieve the aims of the Rio Declaration; and to improve working relationships with respect to technical cooperation and research initiatives. Cooperation between the WTO and UNEP Secretariats was thus planned: to provide and exchange relevant non-confidential information; to build on past practice of holding informal staff meetings and information sessions, including, if possible, the participation of MEAs; and to cooperate in activities relating to capacity building for developing countries. While the exchange of information and the mutual attendance of meetings was further intensified, the third point on joint efforts relating to capacity building had received a particularly strong boost since the cooperation arrangement of 1999.

---

<sup>1</sup> For more information, see TN/TE/S/2, 10 June 2002, "Existing Forms of Cooperation and Information Exchange Between UNEP/MEAs and the WTO", Note by the Secretariat.

6. On this third aspect, the WTO Secretariat indicated that an essential part of the technical assistance activities of the WTO on trade and environment was the organization of regional seminars, where the WTO invited officials from trade and environment ministries. The WTO started, in 1999, the practice of regularly inviting UNEP, UNCTAD and MEAs to participate in these seminars, in order to bring to the regions the experience and perspective of other international institutions specialized in the field of trade and environment. These regional seminars had been carried out in the three official languages of the WTO and in the main regions of the world (in 2002, seminars were organized in Latin America, Caribbean countries, Africa, Central and Eastern Europe, Asia, and in the Pacific).<sup>2</sup> So far, four MEAs had been involved in these seminars: CITES, the Basel Convention, the Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol) and the UNFCCC. The WTO Secretariat also mentioned its close collaboration with the Capacity-Building Task Force on Trade, Environment and Development (CBTF, a joint effort by UNEP and UNCTAD), which organized back-to-back meetings with WTO regional seminars. UNEP's and UNCTAD's efforts in addressing the capacity building needs relevant to the Doha Development Agenda represented an important complement to WTO technical assistance activities, as they illustrated in very concrete terms the relationship between environment and trade.

7. Since 1997, seven MEA Information Sessions had been held by the CTE. Some of these sessions had been organized around topics such as: trade-related aspects and developments in environmental fora; compliance and dispute settlement provisions in MEAs and the WTO; and technical assistance, capacity building and information exchange. The following MEAs had participated: the Basel Convention; the CBD and its Biosafety Protocol; the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR); the CITES; the International Commission for the Conservation of Atlantic Tunas (ICCAT); the ITTO; the Ozone Secretariat; the Rotterdam Convention; the Stockholm Convention; the United Nations Convention on the Law of the Sea (UNCLOS); the UNFCCC; the United Nations Fish Stocks Agreement (UN Fish Stocks); and the UNFF.

8. The counterpart of MEAs coming to the CTE to brief Members about new developments or special topics was the organization by the WTO, since the beginning of 2002, of technical assistance workshops (so-called "side events") in parallel to some of the main meetings of MEAs. The objective of such events was to enhance the understanding of WTO rules, and to create a forum for information exchange between the WTO Secretariat and MEAs. Such events were important: (i) in order for developing country Members to these agreements to be kept informed about recent developments concerning the WTO Doha Development Agenda on Trade and Environment, and (ii) in order for the WTO Secretariat to follow the new developments occurring in the MEAs. By the end of 2002, the WTO would have held five such side events: at the Second Session of the UNFF; at the Sixth Meeting of the Conference of the Parties to the CBD; at the Twelfth Meeting of the Conference of the Parties to CITES; at the Fourteenth Meeting of the Parties to the Montreal Protocol; and at the Sixth Meeting of the Conference of the Parties to the Basel Convention.

9. On occasions, the WTO Secretariat prepared documentation jointly with other secretariats. For instance, the WTO had prepared a Background Note on Compliance and Dispute Settlement Provisions in the WTO and in MEAs together with UNEP and a number of MEA Secretariats.<sup>3</sup> The WTO had also updated its Matrix on Trade Measures Pursuant to Selected MEAs in

---

<sup>2</sup> See WT/CTE/W/216, 30 September 2002, "Technical Assistance and Capacity Building Activities in 2002", Note by the Secretariat.

<sup>3</sup> WT/CTE/W/191, 6 June 2001, "Compliance and Dispute Settlement Provisions in the WTO and in Multilateral Environmental Agreements", Note by the WTO and UNEP Secretariats.

cooperation with a number of MEAs.<sup>4</sup> Moreover, a large number of documents on MEAs had also been circulated in the CTE. It was also indicated that at the request of the CBD Secretariat, the WTO Secretariat (Trade and Environment Division) had briefed the CBD staff on relevant developments in the WTO. This meeting took place in Montreal and was organized in two sessions: a first session with trade specialists from the CBD Secretariat and the Biosafety Protocol focusing on recent developments in the CTE Special Session, and a second session, addressed to the entire staff of the CBD, on the WTO in general, the Doha Development Agenda, and main Agreements relevant to the CBD. The two briefing sessions had contributed to strengthen the relationship between the WTO Secretariat and the CBD. Another important co-operative activity was the organization by UNEP of meetings back-to-back with CTE meetings. The objective of these meetings was to enhance developing and least-developed country engagement in trade and environment discussions at the international level. To date, these back-to-back meetings had addressed three main topics: MEAs and the WTO; fisheries; and capacity building.<sup>5</sup>

10. Concerning the second part of the mandate under paragraph 31(ii), i.e. observership, the WTO Secretariat indicated that the following MEAs had observer status in the CTE: the CBD, CITES, ICCAT, and the UNFCCC. UNEP and UNCTAD also had observer status in the CTE. At present, only two requests for observer status from MEAs were still pending in the CTE, that of the ITTO and the Montreal Protocol. The state of play on observer status was that the issue had been left in the hands of two different fora, the Trade Negotiations Committee (TNC) with respect to WTO negotiating bodies, and the General Council with respect to WTO non-negotiating bodies. Concerning WTO observership in UNEP and MEAs, the WTO had observer status in the UNEP Governing Council, and attended, on a regular basis, the main meetings of MEAs which contained trade-related measures. As a comparison, most MEAs addressed the issue of observership of international organizations in their statutes and allowed international organizations to attend meetings as an observer, simply upon request.

## **I. PRESENTATIONS BY MEAs**

### **A. UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)**

11. The UNFCCC Secretariat said that it was participating in, and supported, the work programme of UNEP on the relationship between environment and trade. Such work had provided policy-relevant inputs and underpinned UNFCCC's own policy-related work. The World Summit on Sustainable Development (WSSD) had enlarged the scope of this work by including the development dimension, in line with the emerging linkages between climate change and sustainable development. The UNFCCC had just held its Eighth Conference of the Parties in New Delhi, which, in the wake of the WSSD, had explored the relationship between climate change and sustainable development.

12. Article 3.5 of the UNFCCC stated that measures taken to combat climate change, including unilateral ones, should not constitute a means of discrimination on international trade.<sup>6</sup> The Kyoto Protocol reaffirmed this principle. No trade measures were included in these agreements but implications for the trade regime could arise from national implementation, through a variety of policies and measures to meet commitments under the Convention and the

---

<sup>4</sup> WT/CTE/W/160/Rev.1, 14 June 2001, "Matrix on Trade Measures Pursuant to Selected MEAs", Note by the Secretariat, Revision.

<sup>5</sup> For more information, see WT/CTE/W/213, 12 June 2002, "Enhancing Synergies and Mutual Supportiveness of MEAs and the WTO, A Synthesis Report", Contribution by UNEP.

<sup>6</sup> Article 3.5 of the UNFCCC reads: "The Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade".

Kyoto Protocol. Ways to facilitate co-operation to enhance the individual and combined effectiveness of policies and measures were being considered by the Parties. The issue of the interaction between WTO rules and these measures, as well as the Protocol's mechanisms, i.e. the Clean Development Mechanism, Emission Trading and Joint Implementation, had not been the subject of policy-oriented work of the subsidiary bodies of the Convention. The first projects in the context of the Clean Development Mechanism under the Kyoto Protocol were expected to be submitted in early 2003.

13. A two-way flow of information between the WTO and MEAs was essential to exchange experiences, raise awareness, and develop a common understanding of emerging issues. In this regard, UNFCCC wished to make the following three proposals. First, while consultations between the secretariats had been effective and should be deepened, the secretariats should look into ways to involve MEA parties in discussions of a substantive nature. Second, in addition to the Committee on Trade and Environment, other relevant WTO Committees should also be encouraged to involve MEAs in information sessions. Third, during sessions of the Conference of the Parties of MEAs, the WTO should create opportunities for the exchange of views on issues of mutual interest. This practice was emerging and the UNFCCC was willing to support WTO's endeavours in this respect.

14. MEAs should be granted observer status in both the regular and special sessions of the CTE, and in other relevant WTO Committees. The criteria applied by MEAs for granting observer status were relatively straightforward. Article 7.6 of the UNFCCC stated that "The United Nations, its specialized agencies and the International Atomic Energy Agency, as well as any State member thereof or observers thereto not Party to the Convention, may be represented at sessions of the Conference of the Parties as observers. Any body or agency, whether national or international, governmental or non-governmental, which is qualified in matters covered by the Convention, and which has informed the secretariat of its wish to be represented at a session of the Conference of the Parties as an observer, may be admitted unless at least one third of the Parties present object. The admission and participation of observers shall be subject to the rules of procedure adopted by the Conference of the Parties". Such criteria could also be applied in the WTO for observership of MEAs negotiated under a mandate of the United Nations General Assembly or its subsidiary bodies.

#### B. CONVENTION ON BIOLOGICAL DIVERSITY (CBD) AND CARTAGENA PROTOCOL ON BIOSAFETY

15. The representative of the Secretariat of the CBD said that biodiversity generated and helped to maintain the supply of a number of goods and services essential for human well-being, security and economic development. Many of the goods generated through biodiversity were the subject of international trade, either as commodities, pharmaceuticals, or as manufactured goods. In addition, given the role of biodiversity in poverty alleviation and, hence, wealth creation, it was evident that the maintenance of biodiversity and the promotion of trade were interdependent. There was therefore a clear interest in ensuring that both the international trading system and the CBD process were mutually supportive.

16. Biodiversity was under attack by a number of powerful external forces. These included inappropriate government policies related to trade, agriculture and incentives, and lack of sectoral coordination. Perhaps the most dangerous force was simple neglect, an underestimation of the value of biodiversity, and lack of awareness of its essential role in maintaining the foundations for growth. There were, however, hopeful signs that attitudes were changing. The prominence given to biodiversity at the WSSD was a case in point. The representative of the CBD was optimistic that this MEA Information Session would advance the process of mainstreaming biodiversity and ensuring that biodiversity concerns were more widely understood and incorporated into the trade agenda for the benefit of all.

17. During the last meeting of the Conference of the Parties to the CBD, held in April 2002 in The Hague, ministers responsible for the implementation of the Convention conveyed a policy message to the WSSD that was highly relevant. They called upon the WSSD to promote synergy and mutual supportiveness between the CBD and international trade-related agreements, in particular the WTO, and, most notably, to promote the proper recognition and status of the CBD with the relevant WTO bodies. This message of the Hague Ministerial Declaration was all the more important since no less than 125 ministers and vice-ministers attended. Moreover, the CBD now had 186 Parties, thus approaching universal membership. The WSSD had further endorsed the principle of mutual supportiveness between the multilateral trading system and the CBD. The Plan of Implementation agreed by Governments at the WSSD called for the promotion of the discussions with regard to the relationships between the Convention and agreements related to international trade and intellectual property rights, as outlined in the Doha Ministerial Declaration.

18. The message of these policy statements was clear. The time was ripe to move from policy statements to concrete action. The Conference of the Parties to the Convention and the WSSD itself both reaffirmed the importance of cooperation and the need to design and implement mutually supportive activities with other conventions, international organizations and initiatives. The CBD had already initiated close international partnerships with a number of such institutions, based on memoranda of understanding and joint programmes of work. The Conference of the Parties had also noted the Doha Ministerial Declaration, which encouraged efforts to promote cooperation between WTO and relevant international environmental and developmental organizations, and had reaffirmed the need to promote increased mutual supportiveness of trade and environment agreements. The dynamic developments under both the biodiversity and the international trade regimes required continued efforts to ensure that these regimes remain coherent and to further enhance their mutual supportiveness. The topics of information exchange and observer status were key elements of the necessary action to meet these requirements.

19. There were numerous benefits in enhancing the exchange of information between the WTO and CBD, benefits that would accrue to both organizations. They included: (i) The objectives and many of the provisions and work programmes of the CBD and its Cartagena Protocol on Biosafety had important linkages with the WTO framework. Improved information exchange could ensure that the discussions regarding these linkages and activities benefitted from authoritative information on recent developments under both the WTO and the Convention; (ii) Conversely, enhanced information exchange could also ensure that WTO Committees dealing with biodiversity-related trade and environment issues were well informed on relevant developments under the CBD and its Protocol. (iii) Hence, improved information exchange would enable both CBD Parties and WTO Members to avoid potential conflicts between their regimes, with regard to both current and future negotiations and the implementation of existing agreements. (iv) Lastly, improved information exchange at the international level would serve as an important complement to facilitate more effective communication between trade and environmental officials in national capitals.

20. Under the partnership arrangements between the CBD and several international organizations and conventions, the regular, timely and comprehensive exchange of information was an important element for the development and implementation of joint programmes of work. The representative of the CBD looked forward to further strengthening the collaborative relationship between CBD and the WTO in a similar manner.

21. Important steps to improve the information flow between these two bodies had already been undertaken by the WTO. One welcome development had been the recent easing of derestriction procedures for a number of WTO document types, including country position papers for the Special Session of the CTE. Moreover, the WTO Secretariat had taken several welcome initiatives, such as the hosting of a side event at the last meeting of the Conference of the Parties to the Convention. Only a week ago, a very useful briefing had been given by a representative of the

WTO Secretariat at the CBD Secretariat in Montreal. These recent steps taken by the WTO Secretariat should be further encouraged.

22. On several occasions, the CBD Secretariat had submitted a number of practical proposals to further improve cooperation and information exchange between the WTO and CBD and the Cartagena Protocol. Most recently, such proposals were presented during the last MEA Information Session of the CTE, in June 2002 and at the back-to-back meeting held by UNEP on 11 November 2002.

23. Despite the progress achieved in improving cooperation and information exchange between both institutions, an important challenge remained. The Conference of the Parties to the CBD had extended an open invitation to the WTO Secretariat to participate as an observer in all meetings held under the CBD and its Cartagena Protocol on Biosafety. On the instructions of the Conference of the Parties, the CBD Secretariat had submitted requests for observer status in a number of relevant WTO bodies, namely the TRIPS Council, the Committee on Sanitary and Phytosanitary Measures (SPS), the Committee on Technical Barriers to Trade (TBT) as well as the Committee on Agriculture. It had also requested that its observer status in the CTE be extended to the CTE Special Session. The representative of the CBD was convinced that the granting of observer status on a reciprocal basis was essential in ensuring a comprehensive flow of information, which was synchronized with negotiations and discussions in the respective organizations. Such an arrangement would be to the mutual advantage of both the CBD and the WTO. It was therefore a matter of concern that the requests for observer status submitted by the CBD Secretariat were still pending.

24. The Doha Declaration instructed the TRIPS Council to examine the relationship between the TRIPS Agreement and the CBD, and the protection of traditional knowledge and folklore. The proposed examination had implications for the CBD in regard to the protection of biodiversity-related traditional knowledge, access to genetic resources and the fair and equitable sharing of benefits arising out of their utilization, and the patentability of life forms. In this respect, the Conference of the Parties to the Convention had recognized the role of intellectual property rights in encouraging access to genetic resources and the sharing of benefits from the use of those resources. They could also contribute to the protection of traditional knowledge. The presence of the CBD would undoubtedly enrich the related discussions at the TRIPS Council.

25. The requests for observer status for the CBD Secretariat at the SPS and TBT Committees were also pending. The Biosafety Protocol was based on the precautionary approach and established a set of procedures and standards relating to the import and export of living modified organisms to ensure that Parties could make informed decisions. In view of potential trade implications of the Protocol, in particular the relevance to the ongoing work under the SPS and TBT Committees on the issue of LMOs, there was an urgent need to increase dialogue and collaboration between the CBD and these two Committees.

26. The Doha Declaration further mandated the negotiations in the Special Session of the Committee on Agriculture, on substantial reductions in tariffs, in export subsidies and in trade-distorting domestic support. This mandate had important linkages with the CBD's programme of work on incentive measures and its focus on positive incentives for the conservation of biodiversity and its sustainable use, as well as on the removal or mitigation of perverse incentives. Furthermore, the Conference of the Parties to the Convention had requested the CBD Secretariat to study the impact of trade liberalization on agricultural biodiversity. The presence of the Convention in the Committee on Agriculture and its Special Session could ensure that the discussions and developments in these bodies were reflected in the CBD's activities in a timely and comprehensive manner.

27. Moreover, the issue of observer status in the Special Session of the CTE had not yet been resolved. In the Doha Ministerial Declaration, Members of the WTO agreed to negotiate on the relationship between existing WTO rules and specific trade obligations set out in MEAs. This important issue had so far been addressed in the absence of MEAs. The participation of MEA secretariats in the Special Session would contribute to a better understanding of the objectives and the context of MEAs and thus facilitate the discussion on the issue of the relationship between the WTO and MEAs. The mandate given to the CTE in the Doha Ministerial Declaration, to negotiate criteria for the granting of observer status, was welcome. However, even though the horizontal nature of the issue had to be acknowledged, these negotiations did not preclude pragmatic solutions to pending requests. Nor did they preclude the granting of observer status in the CTE Special Session to those secretariats of MEAs that, like the CBD Secretariat, held observer status at its regular sessions.

28. Granting observer status to the CBD Secretariat was an important element of action to improve cooperation and information exchange. The representative of the CBD looked forward to working together with the CTE and other Committees of the WTO in serving this common objective.

C. UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)

29. The representative of UNEP said that enhancing information exchange and achieving reciprocal observer status between the WTO, MEAs and UNEP were matters of priority. He hoped that this Information Session, as well as the back-to-back meeting held by UNEP on 11 November 2002, would help resolve these issues. Securing synergies between multilateral trade and environmental policies and agreements was a prerequisite for achieving sustainable development, and enhancing information exchange and observer status was a means to achieve these synergies and mutual supportiveness. These objectives had been identified at the Earth Summit in Rio de Janeiro in 1992, and had also been emphasized at the WSSD, and in the Doha Ministerial Declaration.

30. The importance of this cooperation between trade and environment institutions was essential to achieve the integration necessary to carry out sustainable objectives. At the Seattle Ministerial Conference, UNEP and the WTO had agreed on general elements of cooperation, which emphasized the importance of information exchange and joint work on capacity building for developing countries. At Doha, Ministers had welcomed "the WTO's continued cooperation with UNEP and other inter-governmental environmental organizations", and had "encouraged efforts to promote cooperation between the WTO and relevant international environmental and developmental organizations".<sup>7</sup> At the WSSD, Heads of States had identified the need to "strengthen cooperation among UNEP and other United Nations bodies and specialized agencies, the Bretton Woods institutions and WTO, within their mandates", as reflected in the Plan of Implementation.<sup>8</sup>

31. The meeting held by UNEP on 11 November 2002 was part of a series of meetings convened by UNEP in an informal setting over the last five years to facilitate and provide input to CTE meetings. This meeting had brought together trade and environment officials from around 60 governments, representatives of the WTO Secretariat, UNEP, MEA Secretariats, other intergovernmental bodies and NGOs. A number of points had been made at the meeting. For instance, it was highlighted that existing forms of information exchange were useful, but that there was still room for improvement. Information exchange should contribute to carrying the agenda

---

<sup>7</sup> Paragraph 6 of the Doha Ministerial Declaration.

<sup>8</sup> Paragraph 136 of the WSSD Plan of Implementation. See WT/COMTD/W/106/Rev.1, WT/CTE/W/220/Rev.1, 20 December 2002, "Report of the WSSD on Sustainable Development", Note by the Secretariat, Revision.



forward, and extend beyond reporting to more concrete joint activities which addressed particular issues of interest to MEAs and the WTO. Ultimately, the results of improved information exchange and cooperation should also feed into the negotiating process.

32. It was also pointed out at the meeting that discussions at Information Sessions should focus on specific themes. Moreover, it was noted that a key objective of these meetings and information exchange at international level was to enhance coordination of trade and environment policies at the national level. Increased national coordination was called for among trade and environment officials, but also among officials dealing with the various MEAs.

33. A number of participants had emphasized the importance of coordination between the MEAs, UNEP and the WTO to promote mutual supportiveness, which could then hopefully lead to the promotion of coordination at national level. Emphasis was laid also on the importance of regional coordination, for instance through the WTO regional seminars on trade and environment, and the back-to-back workshops held by UNEP, which involved regional institutions and regional trade and economic agreements.

34. It was noted that environment, if sustainably managed, could promote sustainable trade. Trade could also promote environmental protection, and therefore the implementation of MEAs, if conducted in a sustainable manner. At the WSSD, trade had been recognized as a means of implementing sustainable development. Trade should not be considered as an end in itself, but rather as a means of achieving the objectives of MEAs and of addressing issues of priority such as poverty alleviation. Although negotiations of environmental and trade agreements often involved the same countries, the objectives behind these two types of agreements differed. While the objective of MEAs was to achieve the common, long-term goal of environmental protection and sustainability, trade negotiations were generally driven by national interests and the perspective of short-term gains. In that sense, some consideration had to be given to the global impact of trade liberalization.

35. Another issue discussed at the meeting of 11 November was the importance of observer status for MEAs and UNEP in the various WTO bodies. UNEP believed that reciprocal observer status had a crucial role to play in ensuring accurate, relevant and timely information exchange and cooperation between these bodies, in both implementation and negotiation modes. Reciprocal observer status would also complement and facilitate national level coordination and cooperation between trade and environment officials. UNEP had been requesting observer status in the General Council and the TRIPS Council and these requests were still pending. It was noted that involvement in WTO committees such as the SPS Committee, the TBT Committee, the TRIPS Council, the Committee on Trade and Development, and other WTO bodies was just as important as participation in the CTE.

36. Specific themes that could be the focus of special sessions included capacity building; transfer of technology; environmental goods and services; compliance and dispute settlement mechanisms in MEAs and the WTO, as a follow-up to a previous MEA Information Session and UNEP meeting dedicated to this issue; trade measures in MEAs and WTO rules; subsidies; integrated assessments of trade liberalization; and national coordination. Two meetings per year would be appropriate, and background papers prepared jointly by UNEP, MEAs and the WTO could be provided for these meetings. Another suggestion from the meeting was to create a web site where information would be posted, for instance on trade measures in MEAs. Increased involvement of trade and environment officials in future meetings, as well as in the negotiating process, was also highlighted by a number of governments.

37. With regard to future work, UNEP noted that it would continue to work closely with MEAs, the WTO, UNCTAD and other relevant organizations, as well as the private sector and NGOs. UNEP would continue to hold back-to-back meetings and would continue to seek an

exchange of views with governments. Training workshops would also continue to be held back-to-back with WTO regional workshops on trade and environment, focusing on specific themes. The next training workshop to be held back-to-back with the WTO Regional Seminar in Fiji in November 2002, would focus on fisheries and environmentally preferable products. Further high-level meetings would also be convened, including a meeting in Latin America, in collaboration with the NAFTA Secretariat in March 2003. Such meetings provided an opportunity to involve more regional, sub-regional and national institutions, including policy research centres. They would also involve trade and economic agreements operating in the different regions, to help them integrate environmental considerations into their work. These meetings would also be used to clearly identify the capacity-building requirements at the regional level on a long-term, rather than ad hoc, basis. There was a need to move beyond workshops and seminars to more concrete projects at the country level, to assist governments in formulating policies which were responsive to their own priorities, and which dealt with trade liberalization, while addressing environmental objectives. Moreover, such meetings could help gather reactions on the implications of trade and environment negotiations from a regional perspective.

38. UNEP would continue to undertake country projects similar to those which had been undertaken since 1997. UNEP had recently launched six country projects in the rice sector, which addressed the impact of the WTO Agreement on Agriculture. It invited other countries to express their interest in working with UNEP on similar activities. UNEP would produce a manual on the impact of trade liberalization in the agriculture sector, focusing, among other subjects, on biodiversity. Another related area linked to MEAs was the use of economic instruments, or market-based incentives, to achieve MEA objectives. UNEP was working on a manual on fisheries subsidies, which would give guidance to governments on how to address policy reforms in this area. As part of the continuous dialogue with delegations in Geneva, UNEP and UNCTAD would be holding a briefing session on 15 November 2002 to discuss the work plan which the two institutions intended to undertake.

D. 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

39. The representative of UNEP Chemicals said that the Rotterdam Convention, adopted in 1998, now had 34 of the 50 ratifications needed for entry into force, which was expected to take place in 2003. He encouraged Members to ratify this convention so that it could take effect. Since the last CTE Special Session meeting, the Ninth Session of the Intergovernmental Negotiating Committee (INC), which would convene until the entry into force of the convention, had been held. This had taken place from 30 September to 4 October, in Bonn, and during the course of that meeting, one new chemical, monocrotophos, was added to the treaty, and several further chemicals were under consideration for addition to the Prior Informed Consent (PIC) procedure. Most of the preparatory work for the first meeting of the Conference of the Parties had also been completed, and some new work had been initiated on non-compliance issues. The representative of UNEP Chemicals recalled that the Rotterdam Convention was a trade-related MEA and coordination between this MEA and the WTO was essential, especially with regard to compliance matters.

40. Concerning the Stockholm Convention, adopted in 2001, 23 ratifications had been received of the 50 required for the entry into force of the convention. The representative of UNEP Chemicals encouraged members to ratify the Stockholm Convention, as well as the Rotterdam Convention. For this convention, the entry into force was anticipated in the year 2004. Since the last meeting of the CTE Special Session, a Sixth INC was held in Geneva from 17-21 June 2002. In that meeting, a total of 19 major and minor decisions were taken, largely with regard to preparatory work for the first meeting of the Conference of the Parties. These were related to the technical aspects of the convention, some of the procedural aspects of the convention,

as well as a handful of decisions relating to the financial mechanism and to technical assistance that might be provided under the convention. In addition to these decisions, the INC established a subsidiary body, specifically an expert group, to work on best-available techniques and best environmental practices related to Article 5 of the Convention. Article 5 related to generation of persistent organic pollutants (POPs) that were unintentional by-products, the main ones being the dioxins and phurans, but potentially other POPs from unintentional production. That group would meet for its first session in March 2003. In addition, the Assembly of the Global Environment Facility had met in October 2002, and during their meeting, it had, *inter alia*, established a focal area on POPs; it had also agreed to a target in the next replenishment of 250 million dollars, specifically for POPs, and considerable progress had been made in establishing the technical, financial and institutional mechanisms necessary for the success of this convention.

41. Since the Rotterdam Convention was a trade-related MEA, and since the Stockholm Convention had a trade-related provision, i.e. restrictions on the trade of persistent organic pollutants, there was a need for regular information exchange between the bodies of those Conventions and the WTO in this forum. The basic principle, the driving force for consistency in implementing these agreements, trade and MEAs, should come from the parties, and should not necessarily be secretariat-driven. This would ensure that positions held were consistent in the MEA and WTO fora, and that views were mutually reinforcing where appropriate. Also, creating modalities for expanded cooperation, e.g. through observer status, could allow the UNEP Chemicals secretariat, for instance, to report to parties at Conferences of the parties on relevant work under way, therefore enhancing consistency.

42. For the chemicals conventions, there were two specific issues that might be of interest. First, the secretariat of UNEP Chemicals was now in the process of beginning work on non-compliance and compliance-related aspects, specifically in the Rotterdam Convention, although similar work would perhaps also be done at a future stage in relation to the Stockholm Convention. This work would have relevance to trade in hazardous chemicals. Second, the work that would be under way under the Stockholm Convention on best-available techniques (BAT) and best environmental practices (BEP), and its possible relation to process and production methods, as well as environmental goods and services may also be of interest, since under the Stockholm Convention, parties would be interested in promoting production methods that apply BAT and BEP.

#### E. INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)

43. The representative of the ITTO indicated that the ITTO administered the provisions and operation of the International Tropical Timber Agreement (ITTA), 1994, a developmental, intergovernmental, international commodity agreement negotiated under the auspices of UNCTAD, which sought to promote the international trade in tropical timber, the sustainable management of tropical forests, and the development of tropical forest industries through international cooperation, policy work and project activities. Unlike the conventional international commodity agreements (ICAs) negotiated under the aegis of UNCTAD, which focused on price stabilization measures (commonly referred to as the ICAs with economic provisions) or those considered as administrative agreements, the ITTA was a developmental agreement aimed at promoting the international trade and further processing of tropical timber from sustainable sources. In pursuing its trade, economic and development-related objectives, the ITTO therefore placed equal emphasis on the attainment of its environment goals relating to the conservation, management and sustainable development of tropical forests. Indeed, the overall work of the ITTO could be viewed as an attempt to integrate trade and environment in respect of tropical forests and tropical timber, which had essentially been operationalized through the ITTO Objective 2000, under which members reaffirmed their full commitment to moving as rapidly as possible towards achieving exports of tropical timber and timber products from sustainably managed sources.

44. This emphasis on the integration of trade and environment was clearly reflected in ITTO policy work and project activities which covered critical areas of forest management, including criteria and indicators for the sustainable management of tropical forests; auditing systems and certification of tropical forests and timber; development of conservation reserves; forest law enforcement and illegal logging; sustainable forest industries and downstream processing; promoting tropical timber from sustainably managed sources; improving transparency of the international timber market; addressing the problem undocumented and illegal trade; and, enhancement of national forest statistical systems. Among the most significant contributions of ITTO in this regard was its normative work on the development of a series of guidelines covering the relevant aspects of sustainable tropical forest management; criteria and indicators for sustainable management of natural tropical forests; and, framework for the development of auditing systems. Collectively, these tools had been instrumental in building capacities for strengthening forest management in ITTO producing member countries. Tropical forests were found mainly in developing countries. Hence, ITTO was not relying on trade measures to achieve its objectives, but on supportive and enabling measures covering capacity building, training, technical and financial assistance and international cooperation. ITTO was involved in efforts to address attempts to impose trade-related measures on tropical timber and timber products, such as bans and boycotts, certification and labelling, and verification of legal compliance.

## **1. The Case for Enhanced Information Exchange and Strengthened Cooperation**

45. The need for enhanced information exchange and strengthened cooperation between ITTO and WTO was driven by the following considerations.

46. Article 14 of the ITTA, 1994 on cooperation and coordination with other organizations provided for the International Tropical Timber Council (ITTC), the governing body of ITTO, to make arrangements as appropriate for consultations and cooperation with, *inter alia*, the GATT. In this regard, the ITTO had been mandated, to the maximum extent possible, to utilize the facilities, services and expertise of WTO in order to avoid duplication of efforts in achieving the objectives of ITTA, 1994 and to enhance the complementarity and the efficiency of activities. Article 15 of the ITTA, 1994 empowered the ITTC to invite WTO to attend as observer any of its meetings.

47. Pursuant to Article 14 of ITTA, 1994, the ITTC had adopted a number of policy decisions including ITTC Decision 7(XXX) for the effective involvement of ITTO in international and regional organizations and fora. Under the decision, the WTO had been identified as one of the international organizations and conventions which the ITTO was requested to cooperate and collaborate with. In this connection, the measures to be undertaken by the ITTO included providing the WTO with information on the ITTO's trade and environment activities, monitoring and reporting to the ITTC on the relevant developments in the WTO, and participating in meetings of the WTO and its CTE.

48. The role of focal agency for UNFF Element on International Trade and Sustainable Forest Management had been assigned to the ITTO within the framework of the UNFF and the Collaborative Partnership on Forests (CPF). The UNFF was the current stage of the follow-up to the United Nations Conference on Environment and Development (UNCED) process which was addressed in the Marrakesh Decision on Trade and Environment adopted on 14 April 1994. Trade had been accorded due importance within the overall mandate of the UNFF. It had been included in the Forum's multi-year programme of work as one of the common items to be considered at each of its future sessions, as well as in its plan of action which would be considered at each of these sessions. In addition, trade would feature as a principal part of the economic aspects of forests which the Forum would focus on at its Third Session, that would be held in Geneva from 26 May to 6 June 2003. Concrete and meaningful cooperation with the WTO would indeed facilitate the task of the ITTO as focal agency for the UNFF Element on International Trade and Sustainable Forest Management.

49. In the conduct of ITTO trade-related activities, a clear emphasis had been placed on ensuring that these activities were consistent with WTO rules and that duplication of efforts by the two organizations was avoided.

50. The close and continuous monitoring of developments in relation to the Doha Development Agenda and their implications on the international trade in forest products and services, particularly tropical timber and forest products, was of great interest and relevance to the ITTO. Among the issues to be addressed in the negotiations were market access for non-agricultural products and trade and environment. The focus of attention would be on matters relating to the reduction and elimination of tariffs and non-tariff barriers including tariff peaks, high tariffs and tariff escalation; measures taken under the multilateral environmental agreements in relation to existing WTO rules and trade obligations; the effect of environmental measures on market access especially for developing countries including recycling, recyclable packaging, waste paper content and eco-labelling; and environmental requirements. Matters that would require clarification included the extent to which actions being taken for environmental purposes which acted as trade barriers were legitimate within internationally agreed trade rules; exceptions that were allowed under GATT Article XX; whether bans or boycotts taken by sub-national governments were consistent with the relevant WTO rules; policy and legal measures to prescribe imports of forest products from sustainable and legal sources, particularly in public procurement; and the promotion of trade in forest products from sustainable sources while addressing the concern of developing countries regarding the implications on their exports of products from forests that had yet to be sustainably managed. In addition to these, ongoing work under the SPS and TBT Agreements would continue to be of great relevance to the forestry and timber sector.

## **2. Existing Cooperation between ITTO and WTO**

51. Thus far, efforts to promote relations between the ITTO and the WTO had come mainly from the ITTO as mandated by the ITTC. No formal understanding on cooperation between the two organizations had been reached or signed. The ITTO had attended a few of the meetings organized by UNEP back-to-back with the meetings of the CTE but had not participated in any of the Trade and Environment Regional Seminars conducted by the WTO, nor had it collaborated in the UNEP-UNCTAD Capacity-Building Task Force on Trade, Environment and Development (CBTF).

52. Exchange of information between the ITTO and the WTO had been undertaken through the ITTO's participation in a number of MEA Information Sessions held in conjunction with the meetings of the CTE. The ITTO had also provided documents and background notes for circulation at these sessions as well as inputs to the WTO Secretariat for the preparation of background notes on MEAs. Relevant information and documents regarding the ITTO and the WTO had been communicated electronically or accessed from the web sites of the organizations. No WTO side events had so far been organized in parallel to the sessions of the ITTC.

53. In its attempt to further strengthen cooperation with the WTO, the ITTO had submitted its request for observer status in the CTE. This request was still pending.

## **3. Opportunities for Enhanced Cooperation between ITTO and WTO**

54. There were clear opportunities for enhanced cooperation between the ITTO and the WTO that could contribute to synergies and mutual benefits for both organizations. Since enhanced cooperation would be mutually beneficial, reciprocity should be the key principle guiding the efforts to promote concrete cooperation between the two organizations. Practicality was another factor that should be considered, taking cognizance of the constraints of time, resources and other work, which would invariably dictate that measures to enhance cooperation should be realistic, practical and taken on a priority basis.

55. Exchange of information between the ITTO and the WTO had been greatly facilitated by the increased use of web sites and electronic mail. In view of their coverage and cost-effectiveness, the use of web sites and e-mail should continue to be the principal means for enhancing information exchange between the ITTO and the WTO. Exchange of information through the MEA Information Sessions had been extremely valuable and should be continued on a regular basis and further improved. The quality of these sessions would be determined by the relevance and substantiveness of the issues and matters for consideration. Prior consultations between UNEP, the MEAs and WTO Secretariat on the agenda of the sessions could facilitate the planning and conduct of these sessions.

56. The convening of WTO side events in conjunction with the sessions of the governing bodies of MEAs was a very practical measure to promote understanding and dialogue regarding WTO rules and procedures, particularly for the benefit of developing countries. The organization of such WTO side events in parallel to the sessions of the ITTC, especially those convened in ITTO producing member countries, was very much welcomed.

57. The granting of observer status on a reciprocal basis between the WTO and MEAs could facilitate the building of trust and confidence towards enhanced cooperation between the parties. The WTO could be readily admitted as a permanent observer of ITTC under the relevant provisions of the ITTA, 1994. The request for ITTO observership in the CTE, which had been expanded to cover the CTE Special Sessions as well, was still pending. It was hoped that this request would be given due consideration by the WTO at the earliest opportunity. The granting of ITTO observership in the CTE would enable the ITTO to have improved access to WTO documents and facilitate the observation of the negotiations under the Doha Development Agenda.

58. A number of substantive cross-cutting issues were being advanced in the context of enhancing cooperation between MEAs and WTO, such as capacity building, technology transfer and environmental goods and services. In addition, the ITTO was interested in working closely with the WTO on some of the key issues on international trade in forest products, particularly the promotion of trade in forest products and services from sustainable sources and the problem of illegal trade in forest products, which had attracted increased attention in recent years.

#### F. UNITED NATIONS FORUM ON FORESTS (UNFF)

59. The representative of the UNFF noted that the International Arrangement on Forests under the UNFF was a comprehensive voluntary agreement for the implementation of the 270 proposals for action developed through its predecessors, the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF). These 270 proposals for action had been grouped into 16 elements comprising the "UNFF Multiyear Programme of Work 2001-2005", and its Plan of Action for achieving the sustainable management of all types of forests. International trade and sustainable forest management was one of the 16 elements addressed in UNFF's Programme of work and Plan of action. The work of the UNFF was supported by the 13 international organizations of the Collaborative Partnership on Forests (CPF), including the ITTO, which was the focal organization for the element on international trade in sustainable forest management.

60. Forest products were an important sector of international trade. The global value of primary forest product exports, such as logs, sawn wood, panels, pulp and paper, was in excess of 141 billion dollars in 1999; and global trade in secondary processed wood products was close to 40 billion dollars in 2000. If non-timber forest products were added, the total annual trade would range between 185 and 200 billion dollars. Two critical issues were being discussed in the UNFF and had been raised in the CTE. The first was the issue of certification and labelling of forest products that were the result of sustainable forest management. The second was the international trade in illegally harvested forest products. At the June 2002 meeting of the CTE, some Governments had stated that these issues should be addressed in concert with the UNFF.

Any such dialogue, to be effective, would require regular exchange of information between the two bodies.

61. The UNFF, both through the CPF, and through the inputs received by Governments was a major repository of information on international trade and sustainable forest management. Much of the work of the UNFF and its supporting international organizations in the CPF was on improved monitoring, assessment and reporting at the national and international levels on the implementation of the 270 proposals for action for sustainable forest management of all types of forest. Greater attention had been given to improving national reporting in coordination with CPF partners, including the FAO, UNEP and the Convention on Biological Diversity, among others. To this end, substantial work had been undertaken in the development of criteria and indicators for sustainable forest management.

62. National reporting formats had, and continued to be developed with CPF partners. A large number of countries had already designated national focal points for the preparation of these reports. Since the UNFF was the only functional commission of the Economic and Social Council of the United Nations with universal membership, it was in a position to gather more comprehensive information on sustainable forest policies and management, including international trade in forest products. The information that the UNFF was gathering would be of great use to the CTE in any deliberations that it would have in the future on international trade in forest products.

63. The Multiyear Programme of Work required the UNFF to review progress in the implementation of selected programme elements at each UNFF sessions. Since trade had been selected as a common item for each session, all progress reports submitted by the Secretary-General of the United Nations to the sessions of the UNFF were required to highlight the issue of trade. Three Secretary-General's reports on programme elements would be considered at UNFF 3 in Geneva from 26 May to 6 June 2003. The first, on economic aspects of forests, which was being prepared by the World Bank as the lead organization in the CPF, in collaboration with ITTO and the Global Environmental Facility, would highlight trade in forest products. The FAO was preparing the Secretary-General's report on forest health and productivity, with the United Nations Department for Economic and Social Affairs preparing the third report on maintaining forest cover to meet present and future needs. While the latter two reports would not focus on trade as much as the World Bank paper, they would nevertheless look closely at how these issues interacted with trade.

64. The preparation and structure of these reports illustrated how prominently trade featured in all aspects of the programmatic work of the UNFF. Also, the Secretary-General's reports relied heavily on national reports detailing progress in the implementation of the IPF/IFF proposals for action that comprise each of the programme elements, as well as on inputs provided by all 13 members of the Collaborative Partnership on Forests.

65. The participation of the UNFF Secretariat in the MEA Information Sessions of the CTE was discussed at the UNFF Bureau Meeting in July 2002 and at the CPF Meeting in October 2002. The UNFF Secretariat was preparing a paper from the Secretary-General to UNFF 3 on enhanced coordination and cooperation with international organizations that, *inter alia*, would address the issue of closer collaboration between the UNFF and the CTE. UNFF would shortly be sending a letter to the CTE requesting observer status for the UNFF Secretariat in the regular and special sessions of the CTE. UNFF firmly believed that by being given observer status, the UNFF Secretariat could contribute more effectively through information exchange to important issues such as international trade and sustainable forest management, as well as to other issues of common concern to the broader community of MEAs.

G. BASEL CONVENTION ON THE CONTROL OF TRANSBOUNDARY MOVEMENTS OF HAZARDOUS WASTES AND THEIR DISPOSAL

66. The representative of the Basel Convention noted that the Convention had entered into force in 1992 and counted 153 Parties. In December 2002, the Sixth Meeting of the Conference of the Parties would take place. Several important issues for the future of the Convention would be considered at that meeting, in particular the preparation of a ten-year Strategic Plan to implement the Basel Convention, and the establishment of a compliance mechanism.

67. Since the adoption of the Basel Ministerial Declaration on Environmentally Sound Management in 1999, the Convention had gradually moved into concrete implementation of the environmentally sound management approach. This approach had two dimensions: first, a global dimension, in terms of involving activities at the local, national, regional and international level; and second, a universal dimension, as the Convention concerned everyone. The ten-year Strategic Plan was a "road map" to carry out environmentally sound management activities in a concrete manner. The environmentally sound management approach complemented and reinforced the successful application world-wide of the control system for hazardous and other wastes established under the Convention.

68. Over the years, the Basel Convention had demonstrated its capacity to adapt to science, technology and emerging issues. For instance, the Conference of the Parties in December 2002 would consider adopting technical guidelines on the environmentally sound management of partial and full dismantling of ships. Issues such as the sound management of end-of-life equipment, in particular electronic wastes, was also on the agenda. Major progress had been made in developing partnership in strategic domains for the Basel Convention and in the spirit of the Basel Declaration on Environmentally Sound Management, for instance the cooperation with the Stockholm Convention on persistent organic pollutants and the Rotterdam Convention on prior informed consent for chemicals in trade, but also with the IMO London Convention 1972, as well as the UNEP Regional Seas Conventions and Action Plans, and the Bamako and Waigani Conventions dealing with hazardous and other wastes at the regional level.

69. With regard to activities having an impact on trade, the secretariat had been very active in facilitating the elaboration of partnership at the regional level for the environmentally sound management of priority hazardous waste streams, such as used lead-acid batteries in Central America and the Caribbean together with UNCTAD and the International Lead Management Centre, and used oils in Southern Africa, also in partnership with industry. The Parties adopted, in 1995, an amendment contained in decision III/1 banning export of wastes characterized as hazardous from countries listed in a new Annex VII to countries not listed in this annex for any purpose. Annex VII members were Parties and other States which were members of the OECD, the European Communities and Liechtenstein. Although in practical terms the Ban Amendment was being implemented, it had not yet legally entered into force.

70. In all activities undertaken at regional level, the Basel Convention Regional Centres were profiling themselves as one of the main delivery mechanisms for the Basel Convention and related waste and chemical conventions or protocols.

**1. Information exchange**

71. The Secretariat of the Basel Convention strongly supported the regular exchange of information as initiated by the CTE. The reason was that globalization and the progressive liberalization of trade imposed new ways of cooperation both at the international and national level, and between MEAs and WTO. Environmentally sound management required measures to protect human health and the environment from hazardous wastes. It touched upon the domains of



the life-cycle of chemicals and of consumption and production patterns, and would have an impact on socio-economic development.

72. The elaboration of an integrated approach to trade and environment issues in policy-making at the national level was therefore critical. Furthermore, the prevention and minimization of the generation of waste was an important step to reduce adverse effects. Similarly, access to appropriate disposal and recycling technologies was imperative to ensure environmentally sound management of hazardous and other wastes. The further development of joint activities to enhance, internationally, waste and chemical management should be part of the strategy to improve health conditions and the quality of the environment. As globalization offered increased opportunities for trade, it was necessary to review the possible impact of international movements of hazardous wastes on the environment, in particular for developing countries.

73. All of these domains were of relevance to, and suitable for, information exchange. But there was a need to reinforce and improve information exchange to make it more productive and to focus the debate on specific themes or topics. Such formal exchange of information should be interactive with the ongoing negotiations as part of the Doha agenda.

74. Information exchange should enhance the promotion of cooperation on environment, development and trade, in particular at the regional level. The secretariat of the Basel Convention was in favour of having a closer working relationship with the secretariat of WTO in exploring ways of providing support to build capacity in developing countries. The Basel Convention Regional Centres would be able to play an active role in such an endeavour. The Secretariat of the Basel Convention had much appreciated being invited to regional seminars organized by the WTO Secretariat, which it had found very useful and timely. The Secretariat of the Basel Convention was also looking forward to pursuing its fruitful cooperation with UNEP and UNCTAD on trade-related matters.

## **2. Observer status**

75. The issue of the relationship between trade and environment would be considered by the Sixth Meeting of the Conference of the Parties, in particular referring to paragraph 31 of the Doha Ministerial Declaration. The Parties to the Basel Convention would review this issue, including the question of requesting observer status in relevant WTO committees. In a spirit of cooperation and transparency, the secretariat of the Basel Convention hoped that the granting of observer status would not lead to a long protracted debate. As for the participation of the WTO in the Basel Convention, the rules of procedure for meetings of the Conference of the Parties, and for all subsidiary bodies of the Conference of the Parties, required the secretariat of the Basel Convention to notify the United Nations, its specialized agencies and other intergovernmental organizations of any meetings so that they may be represented by observers. This rule had been in practice since 1992 and the WTO had always been invited to the meetings of the Basel Convention.

## **3. Concluding remarks**

76. Expertise developed over the years in implementing the Basel Convention would certainly be of value to the work of relevant WTO Committees. Everyone recognized the progress made in working towards mutually supportive trade and environmental policies. This was a learning process. Without instituting and sustaining dialogue among people responsible for environment and trade at the national and international level, there would be a risk of slowing down progress. The secretariat of the Basel Convention was hopeful that the work on the Doha agenda would pave the way for a dialogue that was both necessary and urgent.

## II. COMMENTS AND QUESTIONS

77. Members welcomed the presentations by the secretariats of MEAs, UNEP and WTO, as well as the back-to-back UNEP-MEA meeting on Enhancing MEA and WTO Information Exchange, held in Geneva on 11 November 2002.<sup>9</sup>

### *On National Coordination*

78. The point was made that increased coordination and communication at the national level was essential to promote the mutual supportiveness between trade and environment. A question was put as to whether or not the Conferences of the Parties of MEAs were attended by national trade officials, and how it would be possible to encourage such participation in MEA negotiations.

79. The representative of the UNFCCC Secretariat considered that the issue of national coordination was not a problem particular to developing countries, but a problem which affected all countries. For this reason, exchange through MEA Information Sessions was useful. The UNFCCC Secretariat appreciated the cooperation between the WTO, UNEP and MEAs, which benefitted all parties alike. Concerning the participation of trade and environment representatives in the UNFCCC Conferences of the Parties, the UNFCCC Secretariat noted that a number of countries parties to the Convention had established national committees on climate change which cut across government ministries and agencies.

80. The CBD Secretariat noted that the issue of coordination needed to be addressed first at the national level, before it was considered at the international level. Indeed, coordination at the national level, or lack thereof, was often reflected at the international level. The CBD Secretariat also made the point that delegates participating in meetings of the CBD were not only representatives of environment ministries, but also included trade representatives, particularly when issues such as benefit sharing, biosafety and invasive alien species were discussed. In most cases however, the trade representatives were from developed countries.

81. The UNEP Secretariat agreed that the leading role with regard to enhancing coordination had to be undertaken by governments at the national level. UNEP had tried to contribute to this objective through its various country projects, which involved the establishment of a steering committee including representatives from ministries of trade and environment, civil society and industry.

82. The UNFF Secretariat noted that in the area of illegally harvested forest products, there was a need to build up the capacity of governments. There was also a lack of consistency in the development of national legislation. For instance in some countries, illegal harvesting would be sanctioned by a fine, while in another country it would be considered as a crime. These discrepancies made it difficult to control the problem of trade in illegally harvested forest products. Therefore, the issue of capacity building and the development of supportive national legislation was critical.

### *On International Coordination*

83. The CBD Secretariat said that in order to improve international cooperation and increase synergies between the different international institutions, the CBD had proceeded to identify the most relevant institutions with regard to specific issues within its work programme. For instance,

---

<sup>9</sup> See TN/TE/INF/2, 19 December 2002, "UNEP-MEA Meeting on Enhancing MEA and WTO Information Exchange, Palais des Nations, Geneva, 11 November 2002", Submission by UNEP; and TN/TE/INF/3, 23 December 2002, "UNEP-MEA Meeting on Enhancing MEA and WTO Information Exchange, Palais des Nations, Geneva, 11 November 2002, Chairman's Summary", Submission by UNEP.

on agriculture, the FAO was the lead agency. The CBD would therefore institutionalize a mechanism of cooperation with the FAO and develop joint programmes of work in order to ensure mutual supportiveness and avoid duplication. Other relevant organizations would also be involved. One example of international coordination was the UNFF process and its Collaborative Partnership on Forests, where each organization was taking the lead on one particular issue.

84. The UNEP Secretariat called for coordination among international institutions to be enhanced. The different organizations needed to coordinate on the appropriate approach to take on issues of common interest, such as capacity building, so as to ensure more consistency.

85. The UNFF Secretariat noted that the issue of international trade in forest products from illegal harvesting was considered within a group composed of the ITTO, UNFF, CITES and the CBD. On a different level, there was also a need to form clusters of issues. For instance, the chemicals and hazardous waste-related agreements dealt with issues that could be relevant to the UNFF, since chemicals were used in forestry management. While the UNFF would be interested to participate in the discussions within these agreements, it would not play a leading role on these issues.

#### *On Cooperation and Information Exchange between WTO, UNEP and MEAs*

86. Members noted that information exchange was intended to keep each organization abreast of the developments in other organizations, with a view to ensuring that the work in various fora contributed to coherence and mutual supportiveness of trade and environment. MEAs were encouraged to exchange views and information with the WTO, within their respective mandate, so as to avoid duplication of work and any misinterpretation of the relevant agreements.

87. The CTE had had a good exposure to information provided by MEA secretariats through regular briefings and exchange of information. Similarly, MEA secretariats had benefitted from attending MEA Information Sessions, and having access to WTO documents and proceedings in the various committees. Some Members raised the question as to how the information received by MEAs was subsequently disseminated within the respective organizations.

88. Some Members emphasized the importance of maintaining a certain degree of formality in the exchange of information between the WTO, MEAs and UNEP, in order to ensure that the various contributions would still be available at the time of negotiations. Also, the possibility of holding informal meetings with MEAs on a more regular basis was put forward. Concerning documentary information exchange, the setting up of a web site, which would provide the dates of CTE meetings and relevant documents from the MEAs and delegations, was also suggested.

89. It was noted that the level of cooperation and exchange between the various MEA secretariats and the WTO still varied. The concern was also expressed that WTO Members should be better informed of Secretariat activities in relation to MEAs. The WTO Secretariat recalled that information regarding Secretariat activities on trade and environment had been circulated in document WT/CTE/W/216.<sup>10</sup>

90. The representative of UNEP Chemicals noted that since the two chemicals conventions were not yet in force, it was too early to have specific areas of cooperation with WTO. There were, however, a number of areas where cooperation was likely to be important in the future, for instance in the area of compliance, particularly for the Rotterdam Convention, which stated in its preamble that nothing in the Convention should be interpreted as implying a change in the rights and obligations of a party under any existing international agreement applying to chemicals in

---

<sup>10</sup> WT/CTE/W/216, 30 September 2002, "Technical Assistance and Capacity Building Activities in 2002", Note by the Secretariat.

international trade or to environmental protection. This provision would require further interpretation by parties as they moved forward and determined what was non-compliance under the Rotterdam Convention, and how this would fit with other instruments. It was probably an appropriate time for countries to pay attention to compliance provisions in the Rotterdam Convention, with a view to ensuring consistency between the various fora. UNEP Chemicals supported the idea of holding joint workshops or briefings, together with the WTO.

91. The Secretariat of the Basel Convention noted that the level of exchange which had been taking place so far, namely between the secretariats of the MEAs and the CTE, could be further enhanced. It was suggested that a proper channel should be established to transmit to the parties to the Convention the concerns raised in the WTO. Party-to-party exchange of information should be encouraged through increased coordination at national level, and also between the respective parties, Conferences of the Parties of MEAs and the WTO. Information exchange would be further enhanced through the participation of the WTO secretariat in MEA meetings.

92. The UNFCCC Secretariat informed Members that all documents of the Convention were available on the web site and were easily accessible.

#### *On Topic-Driven Meetings and Seminars*

93. Some Members echoed UNEP's suggestion to organize meetings on specific subjects. Possible topics could include environmental goods, as well as the legal implications of the negotiations under paragraph 31(i) of the Doha Declaration.

94. The CBD Secretariat believed that the organization of events on specific issues was important. The CBD itself was trying to institutionalize joint meetings of policy-setting bodies: i.e. between the Conference of the Parties of the CBD, its subsidiary body on scientific and technological matters, and the relevant bodies of other conventions, to ensure enhanced information exchange.

95. The UNFF Secretariat agreed that one way to make the information exchange between the CTE and MEAs more fruitful was by focusing the discussions on specific subjects. However, within a family of twelve MEAs, only a limited number of issues concerned all MEAs. Therefore, one option would be to continue to hold meetings with the participation of all MEAs, while three or four of the MEAs that had more to contribute on a specific issue would interact amongst themselves and present together the relevant information.

#### *On Up-to-Date Information*

96. It was noted that information could be sensitive and critical. Therefore it had to be accurate, factual and up-to-date. One delegation stressed that it was particularly difficult for least developed countries to have access to updated information. Sometimes information was already outdated by the time action had to be taken. Hence the need for more effective and productive information exchange. Information exchange should not be a static process, a one-time event. It needed to be a dynamic and continuing process between MEA secretariats and the WTO.

97. The Secretariat of the Basel Convention agreed on the importance of ensuring up-to-date and accurate information. In this context, the closeness of the source of information to interested countries was an important consideration. The Basel Convention was presently trying to utilize its regional centres so as to strengthen the electronic system of information delivery, as well as to provide countries with more accurate and up-to-date information regarding the Basel Convention through publications. The Basel Convention also contained a system of notification, on the basis of which the secretariat provided assistance and information upon request through its focal points, and tried to find, for example, the alleged incident of dumping, or illegal export of hazardous

waste. The Basel Secretariat had organized a regional workshop in Malaysia to strengthen the cooperation between parties in the region. The purpose of that workshop was to look at the existing problem of obtaining accurate and timely information on the traffic in hazardous waste, and explore ways of building the capacity of the countries to address this issue in a more concerted and effective way. In this context, the Basel Convention was also undertaking a series of regional and national workshops to build the capacity of customs officers. Such workshops were organized jointly by the secretariats of the Basel Convention, the Montreal Protocol and the CITES, which all shared the common objective of ensuring that the illegal traffic of hazardous wastes was controlled at entry level. The Basel Convention also emphasized that the quality of information required a multi-stakeholder approach. Cooperation was needed not only from the parties, but also from industry and NGOs. There was also a need for cooperation at the regional and international levels.

98. The Secretariat of the ITTO noted that the ITTO was taking all necessary steps to ensure the accuracy of the information disseminated, either through documents or through its web site. In the area of tropical timber and forests, countries could request assistance from the ITTO towards developing their own national forests statistical system, which was an essential tool to generate accurate data on tropical forests and timber.

99. With regard to the reliability of the information in the area of trade in illegally harvested forest products, the Secretariat of the UNFF indicated that one of the main difficulties was trying to determine its volume. Products from illegally harvested timber often entered international markets in a perfectly legal manner. Indeed, many of the traded species of trees illegally harvested were not considered as endangered species under CITES. Moreover, the accuracy of the information depended to a large extent on the legal regimes in place and the capacity of the countries involved.

*On Other Issues Contained in the Doha Development Agenda such as Transfer of Technology and Sustainable Development*

100. Some Members recalled that the Doha Ministerial Declaration contained provisions on the transfer of technology, and on the relationship between trade, environment and sustainable growth. The objective of sustainable development was emphasized in the Doha Declaration in the provisions aimed at encouraging Members to carry out environmental assessments, and in paragraph 51 of the Doha Declaration, which aimed at ensuring that the objective of sustainable development was appropriately reflected in the negotiations. It was recalled that the assistance of MEAs was essential to identify the linkages between trade objectives and sustainable development in order to build the bridge between trade and sustainability.

101. The UNFCCC Secretariat said that the transfer of technology was a core issue and that an exchange of views between MEAs, UNEP and the WTO on this topic would be very much welcomed.

102. The UNEP Secretariat believed that technology transfer was not only an issue for the WTO, but for all MEAs. The challenge was to identify how technology transfer could be used as a tool to enhance implementation of environmental and trade agreements in a mutually supportive manner, rather than just as a coordinating mechanism. So far, MEAs and the WTO had worked independently on this matter, but synergies had to be built. The issue of the relationship between trade, environment and development was very important for UNEP. When UNEP had started its activities on capacity building, it had to build confidence between on the one hand, UNEP's effort to achieve its environmental objectives and on the other hand, the development aspect, which was the priority of developing countries. UNEP had closely linked environment and development in the context of its work. For instance, it had looked at how environment could be managed so as to increase market access opportunities, e.g. through the promotion of environmentally preferable products; how environment, through the preservation and the sustainable management of natural

resources, could sustain continuous trade flows; and how the use of natural resources could feed into the trade process in a long-term perspective.

103. In its work, UNEP had tried to demonstrate that environment should not be used as a protectionist measure, but rather as a supportive measure and a promoter of sustainable trade. The fact that UNEP had received financial support from a number of developed countries in relation to work on capacity building or on fisheries for instance, indicated that developed countries were serious and sincere in addressing the concerns of developing countries. Environment officials from fourteen developing countries had been able to participate at the UNEP meeting on 11 November 2002 with the support of Canada through DFAID and Environment Canada. Also, funding had been provided by Germany, Switzerland, Norway, the United Kingdom, and the European Communities to support the UNEP/UNCTAD Capacity Building Task Force. UNEP activities had contributed to build confidence and fill the gap between the positions of developing and developed countries towards achieving the objectives of sustainable trade and the Doha Development Agenda.

104. Furthermore, the issue of poverty was a priority within UNEP's work programme. It would also be a main theme of the Ministerial Segment of the next Governing Council, which would focus in particular on environment and poverty eradication in the context of globalization.

105. The CBD Secretariat stressed that the CBD was not simply an environmental convention aimed at the conservation of biological diversity. The Convention also dealt with the sustainable use of biological resources, as well as the equitable sharing of benefits arising from the use of these resources. The negotiation of the Convention also embodied the concept of sustainable development, as its negotiation had taken place at the same time as the elaboration of the Brundtland Report and Agenda 21. In addition, the Convention raised some trade issues, in that the parties were requested to undertake specific measures, which could have an impact on trade.

#### *On Information Exchange in the Forestry Area*

106. Some Members used the forestry sector as an example of the usefulness of information exchange, and to illustrate how trade could be an important tool for sustainable development. It was noted that the contributions from the ITTO and the UNFF might be important in enhancing the CTE's understanding of the issue of illegal trade in forest products. UNFF was asked how many of the 270 proposals for action were trade-related, and especially concerning illegal forestry, what kind of action the UNFF envisaged. The ITTO was asked about the trade-related aspects of ITTO action toward sustainable development of forests.

107. The UNFF Secretariat indicated that the trade aspects in its work had been divided mainly into two areas, including: (i) issues and elements that required further discussion and negotiation within the UNFF itself, such as the issues of certification and labelling; and (ii) issues linked to international trade in illegally harvested forest products, which would require greater attention in future meetings of the UNFF. Many of these issues would be discussed at the Third Session of UNFF. Nevertheless, there were approximately 15-20 proposals for action that could be taken in the area of trade. For example, one action directed at national governments aimed at strengthening enforcement and control so as to limit illegal trade in forest products. Some proposals for action dealt specifically with the improvement of the data and information available on the volume and the value of trade in forest products. More work was needed to quantify and monitor more effectively the total value of the products that were subject to international trade, for both timber and non-timber products. The issue of assessment, monitoring and reporting was also highlighted in relation to trade. Another specific action concerned developing countries that were major producers of the raw material, and how they could be more engaged in improving their own position regarding the exportation of secondary processed forest products.

108. The ITTO Secretariat noted that the ITTO wished to enhance the capacity of Members to implement a strategy for achieving the export of tropical timber and timber products from sustainably managed sources. The ITTO Year 2000 was an effort to integrate trade and environment. There were also other trade-related objectives in the Agreement. For example, ITTO was supposed to provide a forum for consultation to promote non-discriminatory trade practices in relation to timber. This objective had been incorporated in the Agreement as a result a perception among tropical countries that their exports of tropical products were vulnerable to discriminatory trade practices internationally. There was also another objective of improving market intelligence, considering that many, if not all ITTO member countries had a capacity problem in this regard. Hence, the ITTO had played a facilitating role to enhance the capacity of members on market intelligence, with a view to ensuring transparency in the international timber market.

109. Furthermore, the ITTO had designed a work programme, the latest of which was the Yokohama ITTO Action Plan, and had focused its attention on two specific goals in this context. The first goal was to improve the transparency of the international timber market. For this purpose a number of activities had been prescribed, including the annual review and assessment of the world timber situation. ITTO had promoted the collection and dissemination of accurate and timely data, which was extremely pertinent in addressing the problem of illegal trade. In this regard, the ITTO had commenced a policy study on the discrepancies in the import and export data for tropical timber, in the light of concerns raised by many countries about the illegal trade in tropical timber. The statistics available had revealed some discrepancies which had to be examined further. ITTO had also undertaken policy work on certification, mainly to assist developing member countries interested in this matter. If one looked at these statistics today, less than 8 per cent of certified forests were in the tropics. This showed the extent to which developing countries with tropical forests were lagging behind on the issue of certification.

110. The second goal reflected in the ITTO's action plan was to promote tropical timber from sustainably managed sources. There were many problems and constraints facing this sector in developing countries. On the one hand it was fully acknowledged that trade liberalization was an essential condition for developing countries to achieve sustainable development. On the other hand, the ITTO was also promoting capacity in developing countries, to ensure that their exports would come from sustainably managed tropical forests.

111. The ITTO Secretariat also raised the issue of the promotion of trade in forest products and services produced from sustainably managed forests, which was still outstanding in the ITTO and the UNFF. This matter was considered essential to ensure the mutual supportiveness of trade and sustainable forest management. The views and expertise of the WTO were relevant in guiding the ITTO and the UNFF in addressing this issue.

*On the Interest of MEAs to Cooperate with various WTO Bodies*

112. Some Members expressed support for the participation of MEAs in the work of various WTO bodies, for instance in the areas of services, market access and labelling. In this context, some MEAs identified the different links between their areas of expertise and WTO bodies.

113. The UNFCCC Secretariat said that it was necessary, when it came to issues such as technology transfer or the use of economic instruments, to broaden the scope of information exchange and the participation of MEAs in various WTO bodies. The UNFCCC would reflect further on the WTO bodies to which it could contribute.

114. The CBD Secretariat indicated that the WTO bodies to which the CBD could contribute had already been identified in decisions of the Conference of the Parties. These included the TRIPS Council, the SPS Committee, the TBT Committee and the Committee on Agriculture.

*On Observer Status*

115. Several Members supported the participation of MEAs and UNEP in the CTE Special Session, and hoped that a practical solution would be found on this matter. As a comparison, it was noted that observer status had been granted in the negotiating groups on agriculture and services to the international organizations that had taken part in the work of the regular committees dealing with these subjects. It was also noted that criteria for the granting of observer status needed to be objective, and apply to all requests for observer status in the various committees of the WTO.

116. The UNFCCC Secretariat was pleased that several Members had expressed support for the granting of observer status to MEAs in other WTO bodies. In her view, this was a direct result from the WSSD, which had clearly spelled out that the agenda on sustainable development was not strictly about the contribution of MEAs to sustainable development and its consistency with trade rules. It was rather a positive agenda which instructed countries to look at how trade could be a means of implementing sustainable development. The UNFCCC called on WTO Members to share their views in this regard.

117. The CBD Secretariat noted that the granting of observer status to relevant institutions would ensure that negotiators were kept up to date with developments in other fora.

---