

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Immediate Decisions at Seattle

Clarifying the relationship between the multilateral trading system and
trade-related provisions of multilateral environment agreements

Communication from the European Communities

The following communication, dated 22 November 1999, has been received by the Director-General from the Permanent Delegation of the European Commission.

As you know, the Community has strongly advocated the need to clarify the relationship between multilateral environment agreements and WTO rules in the course of the new Round. We also have drawn attention to this in consultations with you. One way to address the issue could be an immediate decision at Seattle to clarify this relationship in the Committee on Trade and Environment with a view to taking a decision on further work at the fourth Ministerial. To this end, I attach a proposal in relation to the passage on implementation, to be circulated to Members, a number of whom have already worked with us in drafting this language.

Proposal

The Committee on Trade and Environment shall continue its work with a view to clarifying, as appropriate, the relationship between the multilateral trading system and trade-related provisions of multilateral environmental agreements. It shall give high priority to this matter and report to the fourth session of the Ministerial Conference on the results of its work with its findings and recommendations.

Background

The objective of clarifying the relationship between trade measures taken under or pursuant to Multilateral Environmental Agreements, and WTO rules is to ensure that the multilateral trading system takes due account of international efforts to solve international environmental problems. The EU has long advocated a multilateral approach and, in particular, MEAs as the best way of tackling such problems in strong preference to unilateral measures. The fact that any trade measures MEAs may contain were negotiated and agreed in a multilateral context is a guarantee against unilateral action and their use for protectionist purposes. Explicit favourable treatment of MEAs by the WTO

could actively encourage the international community to seek multilateral solutions to global environmental problems and to eschew unilateral action.

Like other WTO Members which are equally supportive of MEAs, therefore, the EU has a clear interest in ensuring a friction free relationship between the two bodies of international law.

The fact that no trade measure taken under an MEA has ever been challenged in the WTO by a non-Party is no guarantee that this will not occur in the future. It is by no means certain that a challenge of this nature will ever be made but WTO Members should not wait until one is, will all its potential effects on the functioning of existing MEAs.
