

Multilateral Environmental Agreements and the WTO: Building synergies

Coherence on trade and environment

The importance of ensuring that trade and environmental policies are mutually supportive, and supportive of sustainable development, was first emphasized by governments at the Rio Earth Summit in 1992. Since then, the need for coherence in trade and environmental policy-making has only become more critical, impelled by deepening relationships between trade and development, the increasing globalization of the world economy, and the transboundary nature of many environmental problems.

The most direct interface at the international level is between the two regimes of international law: the multilateral environmental agreements (MEAs) and the World Trade Organization (WTO). To date, the potential for *conflicts* between MEAs and WTO rules has commanded more attention than their actual and potential *synergies*. As part of this attention, the WTO Doha results have mandated a formal negotiation on the relationship between specific trade measures used in MEAs and WTO rules. UNEP has, over the last several years, been working to broaden the terms of the discussions. The UNEP-facilitated process described in this briefing has focussed holistically on a range of linkages between MEAs and WTO, including elements that complement or mirror each other, and on actions or objectives that are common to both.

A multi-stakeholder process

In an unprecedented multi-stakeholder process, the secretariats of many MEAs, the WTO and UNEP and, in most cases, governments and NGOs have met six times between June 1999 and March 2002.¹ This “MEA-WTO process,” and its associated chairman’s summaries, analytical work and informal meetings between secretariats and legal experts, have identified concrete

actions to help these institutions and their associated rules work together, rather than at cross purposes. A synthesis of the results of the first five meetings was submitted as a background note to Prepcom II of the World Summit on Sustainable Development in January 2002. (<http://www.unep.ch/etu/wssd/index.htm>)

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Aims of the “MEA-WTO process”

The process aims to increase information exchange and collaboration between national trade and environment officials, and the MEA, WTO and UNEP secretariats. It seeks to deepen each community’s understanding of the multilateral agreements of the other, and of how the bodies of law relate to each other. And it aims to build confidence and trust between trade and environment officials, and developed and developing countries, so as to make progress on enhancing the mutual supportiveness of MEAs and WTO.

Many participants in the process have noted that while long-standing discussions in the WTO’s Committee on Trade and Environment (CTE) have deepened analysis of MEA-WTO relationships, they have not made progress on reducing tensions and potential conflicts. UNEP’s meetings have focused on this niche—on the unrealized opportunities to make MEAs and the WTO agreements work together more effectively in pursuit of sustainable development. The discussion and analysis has in particular addressed the

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needs of developing countries, including for technical assistance and capacity building, and UNEP-secured additional finance has enhanced participation of developing country environment officials and MEA negotiators. By organizing these meetings back-to-back with meetings of the WTO's CTE, UNEP has also enhanced this process's direct contribution to CTE discussions. This practice will be continued as formal negotiations on the MEA-WTO relationship unfold in the WTO.

The Meetings

The following meetings have taken place:

- “WTO/MEAs Meeting,” Geneva, 28 June 1999 (secretariats of MEAs, WTO, UNCTAD, ILO and the Center for International Environmental Law, an NGO);
- “High Level Panel Discussion on MEAs and the WTO,” New York, 27 April 2000, during the Eighth Session of the Commission on Sustainable Development (secretariats of MEAs, WTO, UNCTAD, CSD, governments and NGOs);
- “Enhancing Synergies and Mutual Supportiveness of MEAs and the WTO,” Geneva, 23 October 2000 (secretariats of MEAs, WTO, UNCTAD, governments and NGOs);
- “High Level Meeting on Environment, Sustainable Development and Trade,” Berlin, 20–22 March 2001 (secretariats of MEAs, WTO, UNCTAD, governments and NGOs);
- “Compliance, Enforcement and Dispute Settlement in MEAs and the WTO,” Geneva, 26 June 2001 (secretariats of MEAs, WTO, UNCTAD, governments and NGOs); and
- “Workshop on Capacity Building on Environment, Trade and Development,” Geneva, 19–20 March 2002 (secretariats of MEAs, WTO, UNCTAD, FAO, the World Bank, governments and NGOs).

Analysis to underpin action

Participants in this multi-stakeholder process have explored concrete synergies and potential tensions, looking for ways in which implementation of WTO agreements might better support that of MEAs, and vice versa. Key elements of the discussions included:

- a broad recognition that greater coordination and cooperation between these institutions at the international level must be underpinned by greater coordination between trade and environment ministries at the national level;
- the importance of securing observer status for MEAs in relevant WTO bodies, and for the WTO in relevant MEA processes;
- the synergistic potential of more complementary and harmonized capacity-building activities by the MEA and WTO Secretariat;
- the key differences in the approach of MEAs and the WTO to compliance and dispute settlement, and the emphasis in MEAs on dispute avoidance and the use of supportive measures for compliance;
- the importance of economic instruments as policy tools for environmental protection, and their potential to enhance synergies and reduce tensions between MEAs and the WTO; and
- a recognition that MEAs use trade measures as a part of balanced packages of instruments to address important global or trans-boundary environmental problems.



Threatened beauty, Austria (Martina Dobrusky/UNEP).

My sister Mireille and my brother Nabil, Lebanon (Lina Nasr/UNEP).

From these discussions a list of possible steps for enhancing synergies was identified, including:

- greater cooperation between the WTO and MEAs in the context of potential trade and environment disputes, with the aim of avoiding formal disputes;
- using environmental assessment of trade-related policies to strengthen implementation of MEAs;
- greater participation of MEA Secretariats in WTO regional seminars on trade and environment;
- design of economic instruments which can provide effective tools for enhancing the benefits of trade liberalization policies, as well as for implementing MEAs;
- enhancing market opportunities for environmentally friendly products, particularly those from developing countries;
- developing synergies between technology transfer provisions in MEAs and the WTO TRIPS Agreement; and
- identifying specific trade measures that can contribute to MEA implementation while enhancing synergies and minimizing potential tensions with WTO rules.



trade, environment and development. Many developing countries are hampered in complying with and implementing international obligations of MEAs by a lack of capacity and limited technical, technological and financial resources. These needs can be addressed in the context of the individual MEAs, and also through joint activities with other international organizations, including other MEAs, the WTO, UNCTAD and UNEP. The value of collaborative capacity building was demonstrated at the WTO regional seminar on trade and environment, held in the Caribbean in January 2002, in which UNCTAD, the secretariats of three MEAs and UNEP also participated. At this seminar, countries from the region drew up a list of capacity-building requirements for mutually supportive trade and environment policies, based on their discussions, informed by the trade, environment and development experts of these intergovernmental organizations.

This type of collaboration could be expanded in a number of ways. Many regional organizations for economic integration (such as Mercosur and the Andean Community in Latin America, and SADC in Southern Africa) are expanding their activities into cooperation on environmental policies—activities that may benefit from a supporting role from UNEP and other international organizations. Current and potential joint activities will be explored further at the next MEA-WTO meeting in June 2002.

At the capacity-building workshop in March 2002, and at an informal meeting between MEA, WTO and UNEP secretariats in January 2002, there was strong interest in developing collaborative capacity-building activities on trade, environment and development.

Next steps

The next phase of this MEA-WTO process will focus more tightly on selected activities identified by stakeholders:

1) Joint capacity building

At the capacity-building workshop in March 2002, and at an informal meeting between MEA, WTO and UNEP secretariats in January 2002, there was strong interest in developing collaborative capacity-building activities on

2) Assessing the effects of trade liberalization

Integrated national-level assessments of trade policies, examining their environmental and related economic and social effects, will help to identify policies that maximize the contribution of trade to the implementation of MEAs. For example, the

Conference of the Parties of the Convention on Biological Diversity (CBD) has mandated an assessment of the effects of trade liberalization on agricultural biodiversity, and the CITES Secretariat has also expressed interest in the application of this tool. Along the same lines, UNEP-initiated country projects on “integrated assessment” of trade liberalization in the rice sector began in early 2002. This work is being undertaken with the participation of the WTO and CBD secretariats, FAO, and UNCTAD, all of which could also contribute to associated capacity building activities. Both this work and that of the CBD are directly relevant to ongoing WTO negotiations for further liberalization of the agriculture sector.

3) Synergies on technology transfer

Both the MEAs and the WTO have provisions on technology transfer, and there is great potential for synergy in some form of collaboration on implementation, technical assistance and cooperative capacity building. The secretariats of the Basel Convention, the Framework Convention on Climate Change and the CBD have all expressed interest in developing synergies between provisions on technology transfer contained in those agreements, and related provisions in the WTO’s intellectual property rules (TRIPS Agreement) and other WTO agreements. Collaborative capacity-building activities could focus on expanding trade in environmentally sustainable technologies, including trade on more favourable terms for developing countries.

Coherent economic and environmental governance

The MEA-WTO process, and the other activities it contributes to, should enhance synergies between multilateral governance structures for the environment, trade and the global economy. As such, the process is directly relevant to preparations for the August/September 2002 World Summit on Sustainable Development (WSSD), at which governance for sustainable development will be a key theme. By contributing to greater coherence between economic and environmental governance, the MEA-WTO process could extend those discussions into concrete actions both at and beyond the WSSD, to support sustainable development.

¹ The secretariats of the following MEAs have been represented at some or all of these meetings: the Convention on Biological Diversity (CBD); the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (SBC); the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); the Montreal Protocol on Substances which Deplete the Ozone Layer; the Multilateral Fund for the Implementation of the Montreal Protocol; the Convention on Migratory Species (CMS); the Ramsar Convention; the Convention to Combat Desertification (UNCCD); the UN Framework Convention on Climate Change (UNFCCC); and the UN Fish Stocks Agreement. The Interim Secretariats of the Rotterdam Convention on Prior Informed Consent and the Stockholm Convention on Persistent Organic Pollutants were also represented at most of these meetings, and two regional seas agreements attended the first meeting. The WTO and UNCTAD secretariats have participated in all these meetings. Governments and NGOs have participated in the most recent five meetings, creating a broad multi-stakeholder process.

UNEP publications

The Chairman’s Summaries or reports of all the MEA-WTO meetings can be found at <http://www.unep.ch/etu/etp/acts/ptnrcon/index.htm>

“*Enhancing Synergies and Mutual Supportiveness of Multilateral Environmental Agreements and the World Trade Organization*,” a synthesis report, January 2002. UNEP, Geneva.
<http://www.johannesburgsummit.org/html/documents/backgrounddocs/unepreport.pdf>

“*Compliance and Dispute Settlement Provisions in the WTO and in Multilateral Environmental Agreements*,” WT/CTE/W/191. Note by the WTO and UNEP Secretariats. June 2001, WTO, Geneva.

“*From Globalization to Sustainable Development, UNEP’s work on trade, economics and sustainable development*,” UNEP, Geneva, 2002.
<http://www.johannesburgsummit.org/html/documents/prepcom4.html> and <http://www.unep.ch/etu/wssd/index.htm>

“*Environment and Trade: A Handbook*,” (also available in French and Spanish) UNEP-IISD, 2000.
http://www.unep.ch/etu/publications/Envi_and_Trade.htm

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