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**Committee on Trade and Environment
Special Session**

SUMMARY REPORT ON THE SEVENTEENTH MEETING OF THE COMMITTEE ON TRADE AND ENVIRONMENT IN SPECIAL SESSION

1-2 MARCH 2007

Note by the Secretariat

1. The Committee on Trade and Environment in Special Session (CTESS) held its seventeenth meeting on 1-2 March 2007 on the basis of the agenda set out in the convening airgram, WTO/AIR/2962.

2. The following international organizations were invited to participate as ad hoc invitees: UNEP, UNCTAD, the World Customs Organization (WCO), the OECD, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the Stockholm Convention on Persistent Organic Pollutants and the United Nations Framework Convention on Climate Change (UNFCCC).

I. PARAGRAPH 31(I): WTO RULES AND SPECIFIC TRADE OBLIGATIONS IN MULTILATERAL ENVIRONMENTAL AGREEMENTS

3. The Chairman noted that no new submissions had been presented under this agenda item.

4. The representative of Australia recalled her delegation had for many years taken a strong interest in the Paragraph 31(i) part of the Doha mandate. In the context of the resumption of the Round and given also their concerns with the proposal on the table from the European Communities (EC)¹ which had been discussed in the Committee on 6-7 July 2006², Australia had been considering a possible outcome which would more accurately reflect work done in the Committee, together with some other Members.

5. In Australia's view, the Committee's detailed discussions on specific trade obligations in multilateral environmental agreements (MEAs) had shown that the relationship between MEAs and the WTO was working well. No significant problems had been identified by delegations and developments since the discussions began some years ago had shown even more conclusively this to be the case. Further improvements in coordination at both the international and national level had enhanced the mutual supportiveness of trade and environment. She noted that the ideas presented by the United States (US) in its paper under Paragraph 31(ii)³ should serve further to enhance the

¹ TN/TE/W/68.

² TN/TE/R/16.

³ TN/TE/W/70.

cooperation. Australia saw a strong link between an effective and practical outcome under Paragraph 31(ii) and an effective and practical outcome under Paragraph 31(i).

6. The representative said that in considering an outcome under Paragraph 31(i), Australia was conscious of the importance of national level coordination. For its part, Australia had in place a domestic system which worked to ensure that trade and environment issues were dealt with by both trade and environment officials. This was not something that could be enshrined in international law; it was something that simply required hard work and, in the case of developing country Members, increased capacity.

7. The representative said Australia would be happy to discuss this part of the mandate bilaterally with delegations as work continued on proposals for an outcome.

II. PARAGRAPH 31(II): INFORMATION EXCHANGE AND CRITERIA FOR GRANTING OBSERVER STATUS

8. The Chairman noted that one new submission had been circulated by the Delegation of the United States in document TN/TE/W/70.

9. In introducing the submission, the representative of the United States (US) said the synthesis document prepared by the Secretariat⁴ had been helpful as a reminder of the Committee's discussions to date under this aspect of the mandate. The US welcomed the opportunity for renewed discussion under Paragraph 31(ii).

10. The representative recalled an earlier US submission under Paragraph 31(ii)⁵ which addressed three areas, namely information sessions, document exchange and observer status. The new submission in document TN/TE/W/70 was intended as a second generation-type paper in which the US sought further to develop some of the ideas in its first original submission. As well, the US wanted to create a framework under which discussions on the item might continue in a more concrete way. In this regard, the representative referred delegations to the annex of TN/TE/W/70 containing an outline of US proposals under Paragraph 31(ii). She hoped this outline would be helpful as the CTESS explored areas of potential common ground under the mandate.

11. With respect to information sessions with MEAs, the representative said the submission tried to give a general structure for conducting future such sessions. The US proposed that, initially, the information sessions with MEA secretariats take place on an annual basis and that this schedule be reviewed every three to five years so Members could see whether they were reaping the benefits expected from formalizing the information exchange process and whether it would be desirable to hold information sessions more or less often.

12. The US submission further proposed that, to the extent practicable and following past practice, information sessions be timed in coordination with MEA secretariats to ensure the broadest participation of MEA secretariats and their delegates. It was also important in order to reap the full benefit of the information sessions to target the right government officials as well as MEA secretariats. The submission further suggested the CTE in regular session agree in advance on themes or topics for information sessions (following past practice) and that WTO and MEA secretariats be invited to prepare in advance brief background papers to inform the discussions. The representative said the US agreed with others that the information sessions should involve a two-way flow of information with WTO Members and the Secretariat learning about trade-related MEA activities and MEA secretariats and their delegates becoming better appraised of WTO issues and perspectives.

⁴ JOB(07)/2.

⁵ TN/TE/W/5.

13. In terms of document exchange, the representative said this was an area ripe for improvement and the US submission offered a number of suggestions. The US stressed that document exchange between each Member's trade and environment officials should occur in the first instance at the domestic level: the most efficient way of sharing documents was between trade and environment officials at the national level. The US proposed that Members might first reaffirm the need to share documents at the domestic level and also reaffirm the desire to continue to improve WTO transparency in general. On the latter, the representative noted there had been many improvements already in terms of document de-restriction practices in the WTO and expanding the category of unrestricted documents; the CTESS should reflect on the progress made and try to continue to move in that direction.

14. More immediately, the US proposed that the WTO Secretariat improve its document indexing practices and that MEA secretariats be invited to do the same. In this context, the representative noted that many reports and documents were shared between the WTO Secretariat and MEA secretariats but that often it was not easy for Members to know about these documents or to access them. Thus, it was proposed that the WTO Secretariat publish a list of the documents received from MEA secretariats on an annual basis, or even more often if delegations found this useful so that Members would be aware of the available documents; MEA secretariats might be invited to prepare similar lists of any WTO-related documents received.

15. The US further proposed that the WTO Secretariat and MEA secretariats take full advantage of hyperlinking and other internet tools to promote information exchange. The representative noted in this context that the idea had been mentioned by several other delegations as well.

16. Another aspect of information exchange had to do with technical assistance and capacity-building. It was recognized that the WTO Secretariat was already coordinating its technical assistance activities to allow for participation by relevant MEA secretariats. The US agreed with others that such coordination was positive, should continue and perhaps be expanded to areas outside CTE expertise. For example, some of the capacity-building activities related to the TBT Agreement could be of interest to some MEA secretariats, particularly with respect to establishing an enquiry point that would facilitate transparency and information with respect to domestic environmental regulatory developments.

17. In addition, the US submission proposed that the WTO Secretariat along with relevant MEA secretariats explore ways to build the capacity of developing country Members to foster their own internal trade and environmental coordination procedures. The representative said there was considerable interest in this area and it was ripe for improvement.

18. On observer status, the representative said the US and others had previously noted that the mandate related to criteria for granting observer status was limited to the question of observer status for relevant MEAs. The mandate did not extend to the more general issue of observer status of international organizations in the WTO as that responsibility rested exclusively with the General Council. The US had also previously noted that the mandate was being negotiated in the context of the existing Rules of Procedure for Sessions of the Ministerial Conference and Meetings of the General Council found in document WT/L/161, and in particular in Annex 3 addressing observer status for international intergovernmental organizations in the WTO.

19. The representative said the CTESS had been tasked specifically with negotiating criteria for the granting of observer status that would help to identify relevant MEAs that might be invited to participate as observers in WTO bodies. Contrary to some other views expressed, the CTESS had not been tasked to decide on particular MEAs that should be granted observer status in the CTE regular session or other WTO bodies. In the view of the United States, and with respect to an eventual

outcome, it would be useful for the CTESS to reaffirm the nature of the mandate and the fact that observer status was decided upon on a Council or Committee basis.

20. The representative said the US was among many delegations believing that any criteria developed should be flexible and should help facilitate WTO bodies' consideration of whether an MEA that was requesting observership had competence and direct interest in their work, as explicitly provided in Annex 3 of WT/L/161. The criteria should not be so inflexible as to make it more difficult for an MEA secretariat to gain observership in a relevant WTO body. The desire for flexibility had led the US to propose in its submission that the CTESS develop a non-exhaustive list of indicative questions to aid WTO bodies in making reasoned decisions, on a case-by-case (i.e., WTO body-by-body and MEA-by-MEA) basis, regarding MEA observer status. Such indicative questions would use the non-exhaustive list of factors identified as potentially relevant in Annex 3 of the WTO Rules of Procedure as their point of departure. This approach, it was hoped, would be flexible enough to deal with new MEAs that might apply for observer status in the future.

21. The US proposed the following four indicative questions as a basis for discussion: Does the MEA contain specific trade obligations or other trade-related obligations among Parties, and if so, are these specifically relevant to the WTO body's scope of work? Is the MEA currently an observer to other WTO bodies, and if so, what is the extent of the MEA's participation in meetings of that body? Does the WTO Secretariat participate in the MEA meetings as an observer, and if so, does the participation relate to issues addressed by the relevant WTO body? Have the WTO Secretariat and the MEA secretariat worked together on reports or to plan workshops, capacity-building events or seminars?

22. The representative noted that these were not intended to be exhaustive in terms of a set of questions and that her delegation was open to other suggestions. These indicative questions were intended to help form a basis for a WTO body to determine if a particular MEA had a direct interest in matters before that body. She noted that WTO bodies would still be free to add or subtract to the set of indicative questions and treat them however they might choose in their deliberations.

23. In the event that a decision could not be arrived at with respect to a particular MEA observer request, the US proposed that the relevant WTO body be encouraged to invite the MEA to participate as an observer on an ad hoc basis or for a period to be determined by the WTO body, and subject to any extension as circumstances may warrant. In the view of the US, this could facilitate information exchange on a less than permanent basis.

24. In addition to the CTESS undertaking to develop and agree on a set of indicative questions to guide WTO bodies and facilitate the consideration of observer requests from MEA secretariats, the US proposed that the CTESS could lead the way on the question of observership by granting permanent observer status for the remainder of the WTO negotiations to the seven MEA secretariats that had ad hoc observership in the CTESS. The representative said the rationale was that the one decision the CTESS could make on granting observership had to do with its own negotiating group; the relevant MEA secretariats had been participating in the CTESS discussions so far and a decision to grant permanent observer status for the remainder of the negotiations could send a positive signal to the MEA secretariats about WTO commitment to transparency and information sharing. The representative noted that this idea had a different timeframe from other aspects of the US proposal.

25. The representative said the proposals covering information exchange and observer status could bring the CTESS closer to identifying a set of concrete elements that could form an eventual result under Paragraph 31(ii). If adopted, the US believed the indicative questions and other information exchange proposals would help MEA secretariats keep up to date with WTO work and enhance the mutual supportiveness of trade and environment, consistent with the mandate. The US

hoped the ideas presented in their submission would provoke discussion and other ideas; it was intended as a platform for further building of ideas in the Committee, as well as in bilateral and formal discussions.

26. The representative of Japan welcomed the US submission as a good basis for advancing the discussions and said that generally Japan could support the ideas put forward. The representative offered comments based on the outline and points specified in the annex of the US submission. With respect to information exchange, Japan believed it appropriate to have information exchange sessions annually and also supported the idea of a stocktaking after three to five years; such a stocktaking would be necessary to assess the merits of the sessions and to decide on their continued frequency. Japan further supported the idea of adjusting the timing of information exchange sessions taking into account the workloads in the WTO and MEAs so as to ensure participation from as many WTO delegates and MEA secretariats as possible. As well, Japan supported the idea of agreeing in advance on topics for the information sessions and also that the WTO Secretariat and MEA secretariats should prepare documents in advance. On the latter point, and given the tight schedules sometimes involved, the responsibility for document preparation could be less strict.

27. With respect to document exchange, Japan was unsure of the US' suggestion regarding the sharing of documents at the domestic level. Japan noted that exchange of information and documents was already taking place among relevant ministries domestically and that it could share its experiences of domestic activities to help improve each Member's activities. Regarding the US proposals on transparency issues, Japan supported transparency but also recognized that some information, especially related to the negotiations, could be classified or confidential. In respect to other suggestions on document exchange, Japan supported proposals relating to indexing of documents and knowledge in a more systematic way, as well as greater utilization of the internet.

28. Concerning technical assistance and capacity building, Japan appreciated the work done and encouraged the Secretariat to continue its technical assistance activities. The representative asked if the Secretariat had any system for evaluating technical assistance provided and whether such information was shared with Members. Japan also supported the idea of finding ways to assist developing countries to develop their own administrative mechanisms for information exchange.

29. On the issue of observer status, Japan had the same understanding as the US with respect to the mandate of Paragraph 31(ii). On other aspects of the US submission, Japan agreed on the applicability of the existing Rules of Procedure for Sessions of the Ministerial Conference and Meetings of the General Council and that observer status should be decided on a council or committee basis. Japan further supported the idea of introducing indicative questions to assist WTO bodies in considering MEA observer requests on a case-by-case basis. Japan could agree with the content of the indicative questions provided by the US and could also discuss whether there were additional questions as well. The representative made clear that some MEAs might not meet all the indicative questions but could still be granted observer status based on their specific activities and the purpose of their observer status. For example, MEAs that had no specific trade-related obligations but had some sort of de facto influence on trade could be granted observer status.

30. The representative sought further clarification from the US with respect to the recommendation in the submission that, in the event that a decision could not be reached on an MEA observer request, WTO bodies be encouraged to invite the MEA to relevant meetings on an ad hoc basis. Finally, Japan could support granting of observer status for the remainder of the negotiations to the seven MEA secretariats that currently had ad hoc observer status in the CTESS, provided that specific reasons were provided for each MEA; Japan also reserved the right to add some other MEAs.

31. The representative of China welcomed the US submission as comprehensive and a good effort in pushing forward the work of the CTESS. On information exchange, China agreed there should be

information exchange sessions with MEA secretariats, and that the CTE could hold such sessions annually with stocktaking after three to five years. On document exchange, China shared the US view that document exchange between each Member's trade and environment officials should occur in the first instance at the domestic level. The representative noted in this regard that the composition of the Chinese delegation to the CTESS meeting demonstrated good coordination among the different departments in China in this particular area. However, China felt it premature to institutionalize these kinds of activities.

32. With respect to technical assistance and capacity building, China believed this aspect should constitute an important and integral part of future information sessions. China welcomed the technical assistance efforts of the WTO Secretariat and MEA secretariats. On the issue of observership, while China regarded the indicative list of questions proposed by the US as very helpful, the issue was a complex one that should be dealt with appropriately.

33. The representative said China shared the view expressed by Australia that efforts of the CTESS on Paragraph 31(ii) would have a positive effect on the Committee's agreement and understanding on Paragraph 31(i). In China's view, the relationship between WTO rules and obligations in MEAs had so far functioned well. China would welcome any discussion on sorting out the relationship between WTO and MEAs as appropriate.

34. The representative of Norway welcomed the US submission as constructive and said her delegation could agree with its main elements, particularly with respect to information exchange. Norway also agreed with the US emphasis on coordination at the national level and on improving transparency. With respect to technical assistance and capacity building, as well as information exchange, the WTO and MEA secretariats should continue and even enhance their coordination in these areas. On the issue of observer status, Norway appreciated the US approach to focus on what was most relevant for CTESS at that stage. That said, Norway wished to remain flexible with regard to the points listed in paragraph 18 of the US submission dealing with indicative questions; this related in particular to the first indicative question on specific trade obligations and relevance to WTO. The representative said Norway strongly supported the US proposal to grant permanent observer status for the remainder of the DDA negotiations to the MEA secretariats that currently had ad hoc observership.

35. The representative of Colombia thanked the US for the interesting submission and said the CTESS would need to continue discussing it. The representative posed a number of questions to the US delegation. First, with respect to information exchange and the suggestion to hold annual information sessions with MEA secretariats, it was observed that MEAs did not necessarily have timetables entirely compatible with the timetable of the CTE. He asked, for instance, if the US had been in contact with those MEA secretariats currently taking part in CTESS meetings regarding the question of their timetables and the timing of the MEA information sessions.

36. Second, apart from preparatory papers for the information sessions, did the US envisage reports on the outcomes or results of the sessions? The representative noted in this regard that similar information meetings had been held in the past and reports on these sessions had been extremely useful. The representative noted the separate but related US proposal that there should be a stocktaking of the information sessions every three to five years; however, he had in mind additionally a mid-term or intermediate type review on the information that had been exchanged, rather than all-out stocktaking.

37. On observership, Colombia took note of the US explanations concerning the indicative questions and the fact that Members could suggest other questions. Regarding the fourth indicative question, relating to joint activities between the WTO Secretariat and MEA secretariats, Colombia said this could be a key criterion since it was the only way of ensuring true synergy between the

international bodies. Colombia encouraged such activities as a way of disseminating mutual information and knowledge on MEAs and indeed the rules-based trading system. Colombia further believed it could help institution and capacity building in certain countries. The representative suggested there could be an additional indicative question relating to technical assistance and capacity building.

38. The representative of Switzerland said the mandate provided to the CTESS in Paragraph 31(ii) was of significant importance for the promotion of mutual supportiveness between trade and environment policies. In this regard, Switzerland welcomed the re-launching of discussion on this part of the mandate and was grateful to the US for its submission elaborating on ideas it had proposed earlier with regard to information exchange and observer status. The representative said the US submission provided a good overview of the different aspects of Paragraph 31(ii). The outline in the annex of the submission, which contained concrete elements that could contribute to a possible result under Paragraph 31(ii), was helpful and would hopefully facilitate CTESS discussions.

39. With regard to procedures for regular information exchange between MEA Secretariats and relevant WTO Committees, Switzerland believed the modes of information exchange developed by WTO, UNEP and MEAs over the past years had proved to be useful and needed to be pursued on a permanent basis. With respect to information sessions, Switzerland could agree with the US on the general structure for information sessions with MEAs secretariats. In this regard, the representative recalled Switzerland's earlier submission⁶ which presented a set of elements defining the procedure for the organization of efficient information sessions. The representative stressed the need for information exchange on a more permanent and structured basis, while maintaining a degree of flexibility so as to avoid additional burdens on the secretariats involved as well as WTO Members and parties to MEAs.

40. While concurring with the US on the basic structure of the information sessions – for instance, that they should be held regularly; that there should be stocktaking after a certain time; that the timing should be coordinated to the extent practicable; that topics of information sessions should be agreed in advance; and that background papers should also be prepared – Switzerland wondered why UNEP was not mentioned in the submission. The representative noted in this regard that WTO and UNEP had concluded in 1999 an arrangement to improve efforts towards the objective of sustainable development and establish further effective cooperation between the two secretariats in areas of mutual interest. Switzerland believed strongly that UNEP should be referenced under Paragraph 31(ii).

41. With regard to document exchange, the representative said Switzerland concurred with the US submission on enhancing the development of information flow. Switzerland especially welcomed the encouraged use of the internet, including hyper-linking, to promote information exchange; this idea, which had also been proposed by Switzerland, was a useful and relatively low-cost instrument. While Switzerland agreed with the US that the sharing of documents at the domestic level was an important means of informing trade and environment officials of the activities of WTO, UNEP and MEAs, it also felt that international coordination was relevant.

42. The representative observed that paragraph 8 of the US submission proposed that other mechanisms for collaboration should be explored and the submission mentioned as well that the WTO Secretariat was already coordinating its technical assistance activities to allow for participation by relevant MEA secretariats. Switzerland invited the US delegation to further elaborate on this issue. As well, while welcoming good coordination of technical assistance and capacity-building, Switzerland sought more information on the idea of capacity building for developing country

⁶ TN/TE/W/30.

Members in the context of fostering their own internal, national trade and environment coordination processes.

43. Regarding observer status, Switzerland believed that the granting of observer status to MEA secretariats and UNEP should be destined both to CTE regular and special sessions. With respect to criteria for observer status, this was considered a major element of the mandate given to CTESS in the Doha Declaration. In Switzerland's view, discussion on this issue should be based on the criteria set forth in Annex 3 of the Rules of Procedure for Sessions of the Ministerial Conference and Meetings of the General Council. The representative recalled three main criteria presented by Switzerland in their earlier submission and statements: first, decisions should be taken on the basis of written requests and on a case-by-case basis; second, MEA secretariats and UNEP requesting observer status should have a direct interest in the Doha negotiations related to trade and environment; and, third, reciprocal treatment should be provided. Switzerland considered these criteria could be viewed as a good starting point for discussion. Switzerland also concurred with the US idea that the criteria should be flexible and should continue to be elaborated. In this regard, Switzerland welcomed the indicative questions in paragraph 18 of the US submission as a useful starting point for further discussion on this aspect.

44. The representative of India thanked the US for its effort to clarify the mandate of Paragraph 31(ii) both in terms of scope of exchange of information and criteria for the granting of observer status. On information exchange, the representative said the US submission was helpful in laying out a roadmap for a two-way flow of information and in identifying some of the means to effect that flow. India agreed with the suggestions regarding periodicity of sessions and the means through which the exchange could take place. Referring to an earlier intervention by Japan, the representative said it might be possible for information sessions to be held more frequently than annually, if the relevant secretariats so decided and subject to availability of logistics.

45. On the issue of criteria for granting of observer status, India welcomed the amplification of criteria suggested by the US. The indicative questions mentioned in the US submission were useful and were a good basis for further discussion on the issue. If anything, India's preference was for less onerous criteria for granting observer status to MEAs. India agreed with the suggestion made by the US to grant permanent observer status to those MEA secretariats that had ad hoc observer status. The Convention on Biological Diversity was one such secretariat and India hoped this MEA would also be accepted as an observer in other WTO bodies. The representative said India remained open to further negotiations to develop the ideas set out in the US submission. Moreover, India agreed with Australia's comments under Paragraph 31(i) and hoped the US submission would facilitate CTESS discussions also on that aspect of the mandate.

46. The representative of Chinese Taipei joined previous speakers in thanking the US for its contribution which would help to structure Members' discussions and help CTESS to complete the work under Paragraph 31(ii) of the Doha Ministerial Declaration. Chinese Taipei supported the US submission and saw it as a commitment to the important objective of enhancing the mutual supportiveness of trade and environment by improving cooperation between WTO bodies and MEA secretariats in two main areas, namely information exchange and observer status. Chinese Taipei had also noticed a high degree of convergence in the views expressed by Members, as summarized in the US submission, and believed this convergence should be used as the basis for further intensified work.

47. The representative said it was important for the WTO to be able to discuss environment issues in order to ensure the mutual supportiveness of trade and environment. Exchange of information was crucial in facilitating this work. However, in the interests of transparency, such exchange of information should always be a two-way affair. Both the WTO and MEAs needed to make sure information exchanged reflected the proponents as of the original WTO documents in their entirety and integrity. As well, all information exchanged and assistance should be inclusive and available to

all Members. The representative said the contents of exchanged information should not prejudice the rights and obligations of any WTO Member nor MEA party.

48. On observer status, the representative said Chinese Taipei had attempted a comparison between the elements proposed in the EC submission (TN/TE/W/66), and those proposed by the US. From this, Chinese Taipei had observed that the US seemed to be proposing only indicative criteria for granting or not granting observer status to MEAs; the EC proposal, on the other hand, seemed to go one step further by proposing the automatic granting of observer status. The representative sought from the US confirmation of the accuracy of Chinese Taipei's observation in this regard; he also asked the US to describe the rationale behind its proposal in terms of the scope of the mandate in Paragraph 31(ii).

49. The representative of Egypt thanked the US for its submission, which tried to bring the discussion further on Paragraph 31(ii). The paper was also relevant to the discussion under Paragraph 31(i), as noted by Australia. These two parts of the mandate would need to be looked at closely in the discussion in the CTESS.

50. Egypt welcomed the proposals by the US on information exchange. Information flow and transparency were crucial to the work of the WTO and also to the future well functioning of the MEAs as they related to the work of the WTO. The proposal to use information technology to improve information exchange was also welcome. The synergies that could emanate from such information exchange were quite important in dealing with the complex area of the relationship between trade and the environment.

51. One thing that was particularly important for developing countries and especially LDCs was that information exchange concentrated on the issue of technical assistance and capacity building in this area. Unfortunately, in many situations in the developing world, there was a lack of capacity to undertake the necessary coordination between different agencies; this was important as part of the wider information sessions that were suggested. Egypt was studying the best way to conduct these sessions and to assess their outcome. In this regard, the US proposals provided a good start to engage in further discussions in the Committee. More reflection was required with regard to the issue of institutionalizing information exchange and the format of the information sessions. Egypt supported the view that UNEP, as well as other organizations such as UNCTAD, were major stakeholders on issues related to trade and environment.

52. Egypt welcomed the fact that the US submission highlighted the importance of capacity building and the need to improve national coordination in this regard. This was an important aspect in terms of achieving a development outcome in the Doha Round. This issue would need to be put at the forefront of Members' efforts when it came to information exchange and to reaching a developmental outcome in the negotiations on all aspects of Paragraph 31.

53. With regard to observer status, the representative recalled the general position of Egypt on the issue of observer status in the General Council. Egypt noted that there was a difference between having criteria for the granting of observer status, and actually applying these criteria; Egypt believed that criteria needed to be applied uniformly across the board within the WTO. While Egypt was open to discussing indicative questions or criteria proposed by Members for the granting of observer status to MEAs, its overarching position on the issue of observership remained.

54. The representative of Thailand thanked the US for its useful and timely submission on the issues of information exchange between MEAs and WTO, and observer status. Thailand viewed the submission generally as presenting a logical and practical way forward in terms of CTESS efforts to fulfil the mandate under Paragraph 31(ii). On the issue of information exchange, Thailand agreed that existing mechanisms and practises should be improved through, *inter alia*, MEA information sessions.

Thailand was flexible with respect to the frequency of the sessions and determination of definitive review periods. Thailand also supported early coordination between WTO and MEA secretariats on the organization of such sessions and subject matters to be discussed, so that the sessions were relevant to the interests and responded to the concerns of Members and also provided concrete added-value to the participants at the time they were held.

55. On the subject of document exchange, Thailand was supportive of the need to improve transparency through various documentation-sharing processes between the WTO and MEA secretariats. The representative said any efforts to improve transparency and efficiency of information exchange under the existing WTO-MEA coordination infrastructure, including use of the internet, would be welcomed by Thailand.

56. The representative noted that the US submission touched upon the importance of lending greater focus to the topic of technical assistance and capacity building activities in order to help developing countries strengthen their respective trade and environmental internal coordination mechanisms. The submission further suggested that this should be undertaken in conjunction with efforts to improve information exchange and coordination between WTO and MEA secretariats. Thailand agreed with this line of thinking and was of the view that technical assistance and capacity building was a key item in raising the level of effectiveness of internal coordination between trade and environment officials in developing countries, which in turn should translate into greater degrees of coordination at the international level. The representative asked the US to elaborate on the possible technical assistance and capacity building activities, projects or ideas that could be undertaken.

57. Regarding the issue of observer status, the representative reserved Thailand's right to address this issue at a later date.

58. The representative of the European Communities (EC) thanked the US for its constructive submission and added that the submission built upon the consensus that had been developing at the previous CTESS meeting. The representative said there were some elements in the US submission that the EC appreciated and some positions that the EC shared. But there were also some elements where the EC felt there was not a sufficient degree of ambition. The representative structured his remarks along the lines of the outline in annex 1 of the US submission.

59. Regarding information exchange, the representative described this part of the submission as constructive and positive. The EC supported institutionalizing information exchange, as they had made clear in their own submission.⁷ In this regard, they supported as sensible the suggestion to hold information sessions annually with stocktaking after 3-5 years. In terms of the other general provisions on the organization of information sessions, the representative said there was nothing in the US submission on which the EC had specific concerns or reservations; the same applied to the section of the submission on document exchange.

60. With respect to technical assistance and capacity building, the EC supported the suggestion that WTO and MEA secretariats should continue to coordinate activities in this area. In addition, the representative sought a point of clarification on the US idea to explore ways to foster better domestic trade and environment coordination processes and information sharing procedures in developing countries. In particular, the representative asked if the US was suggesting that an outcome on information exchange should encourage Members to explore ways to foster enhanced domestic trade and environment coordination, or whether it was suggesting that this exploratory work be undertaken in the negotiations so that any conclusion drawn from this exercise could form part of the outcome on information exchange.

⁷ TN/TE/W/66.

61. On observer status, the representative said there were some elements in the US submission that were encouraging. In particular, the EC welcomed the reference to the applicability of the existing Rules of Procedure for Sessions of the Ministerial Conference and Meetings of the General Council. The EC had similarly referred to this aspect in their own submission. However, in the EC's view, the approach to observership outlined by the US, predicated on indicative questions, was problematic. In this regard, the representative supported India's preference for less onerous criteria for the granting of observer status to MEAs. The representative added that the EC was looking to avoid a situation in which observership would become a more problematic business for MEA secretariats than was currently the case.

62. The representative commented further that the proposed indicative questions could make the existing situation more restrictive. For example, with respect to the first indicative question contained in paragraph 18 of the US submission, relating to specific trade obligations, the EC viewed this question as very specific and restrictive. Also, concerning the other three proposed indicative questions, the representative said it was not obvious what right answers would be to such questions. The representative also raised questions related to how the indicative questions would be used, whether there could actually be right answers to the questions posed, and how the indicative questions would actually be applied in practice. The representative also raised questions concerning whether and how the Committee would be able to take decisions on observership requests in situations where there were different views among Members on what constituted right and/or wrong answers to the indicative questions.

63. The representative expressed doubt that it would be possible to move from the set of indicative questions put forward to something that could be applied in practice. Instead, the approach seemed to create a recipe whereby an MEA would not be granted observer status because there was no consensus view in the Committee and instead the MEA would be extended ad hoc observer status. The representative suggested that with respect to the CTE and core MEAs, and in terms of the existing Rules of Procedure for Sessions of the Ministerial Conference and Meetings of the General Council, the Committee should be able to decide that their work was associated with the work of the WTO and should therefore be able to decide that those core MEAs should be granted observership in the CTE.

64. Referring to comments made by Chinese Taipei concerning its comparison of the US and EC submissions under Paragraph 31(ii), the representative said the EC submission took a very different approach. In this regard, the representative underscored an additional point with respect to the EC submission that had not been referred to by Chinese Taipei. In particular, while the EC submission referred to automaticity of observer status, such automaticity extended only to core MEAs, i.e., those MEAs that had taken part in information exchange sessions in the CTE. That was, and remained the extent of automaticity proposed in the EC submission. For other MEAs seeking observer status in the CTE, and also UNEP, and all MEAs seeking observer status in other WTO bodies, automaticity was not proposed; instead, the EC submission had suggested that there should be a strong presumption in favour of observership.

65. Finally, the representative supported Australia's comment on the importance of ensuring that a positive outcome on Paragraph 31(ii) was supportive of an outcome on Paragraph 31(i). However, in the EC's view, this would not be a substitute for an outcome under Paragraph 31(i).

66. The representative of Brazil thanked the United States for bringing this useful document to the discussions under Paragraph 31(ii). Brazil agreed with Australia's position, supported by China and Egypt as to the reading of the mandate as a whole. In Brazil's view, the discussions under Paragraph 31(ii) would be helpful to the discussions under both Paragraphs 31(i) and (iii) of the mandate.

67. The representative noted that there were many elements from the US proposal that were useful to the discussions and that Brazil could support, such as the two-way information exchange between the secretariats, as well as the importance of document exchange at the domestic level. Brazil raised the question as to whether the new proposal by the US substituted the June 2002 submission in document TN/TE/W/5. The representative further enquired about MEA participation in information sessions. Regarding the point raised by Switzerland and Egypt with respect to the participation of UNEP and UNCTAD in the discussions, Brazil noted that it supported the participation of these organizations, both in formal and informal sessions of the CTE.

68. On the issue of observer status, Brazil welcomed the flexible position of the US as to the granting of observer status to MEAs secretariats. However, as Egypt had mentioned, such criteria should be applied in a uniform manner. The criteria should not be read in a way that would exclude *a priori* the participation of MEAs, for instance MEAs that had not been associated in the past with the work of the WTO, as required under the Rules of Procedures set out in document WT/L/161. Moreover, Brazil asked the US delegation to further elaborate on the criteria of competence and direct interest. In particular, Brazil raised the question as to how a WTO committee should deal with an MEA request for observer status in cases where the MEA did not meet all of the criteria; for instance, if the MEA had not been working together with the WTO, or had not been present as observer in previous meetings, did this mean that the MEA did not have competence and direct interest in WTO work?

69. The representative of Canada thanked the United States for their proposal on continued work under Paragraph 31(ii). His delegation found the proposal overall quite helpful in advancing the work. In this regard, he noted that the annex was also a useful aspect of the document as presented. Regarding information sessions, Canada agreed with the US that these sessions involving MEA secretariats were important and should indeed become a formal, institutionalized aspect of the work of the CTE in regular session. His delegation agreed in general with the approach suggested by the US regarding the organization of such sessions. Canada sought a clarification from the US regarding paragraph 7 of the submission as to whether the identification of topics for information sessions would be done in collaboration with MEAs.

70. Canada concurred with the US that procedures for these sessions should not be overly detailed and should remain flexible. At the same time, it would also be useful for Members to agree on a general structure for conducting future information sessions. Canada agreed with the general approach as laid out by the United States. On document exchange, Canada supported the US' view on the need to reaffirm the importance of domestic coordination and at the same time to improve international coordination, particularly as regards the use of the Internet.

71. With regard to the granting of observer status, Canada agreed with the general approach and criteria laid out by the US to grant observer status to relevant MEAs. The representative underscored the importance of having a flexible approach for granting observer status to MEAs. Canada agreed with the point made by other delegations that criteria should not be so inflexible as to make it more difficult for an MEA secretariat to gain observership to a relevant WTO body. His delegation saw the value of identifying indicative questions and appreciated those that had been proposed. At the same time, Canada appreciated the comments by Japan regarding whether or not there was a right or wrong answer to these questions, and whether an MEA should still be granted observer status if one or two of the questions were answered in the negative. The criteria of direct interest could be interpreted too restrictively; it was therefore important to look at the trade relevance of the MEA in question.

72. His delegation supported the suggestion to grant permanent observer status for the remainder of the negotiations to the MEAs that had been attending CTESS meetings on an ad hoc basis. In addition, Canada welcomed the views expressed by Norway that UNEP should be recognized as well.

73. The representative of New Zealand said his delegation welcomed this further contribution from the United States. Like other Members, New Zealand considered that this part of the negotiations was important, particularly in the context of the objective of enhancing the mutual supportiveness of trade and the environment. New Zealand shared the assessment made by the US that negotiations under Paragraph 31(ii) had been perhaps less substantive and dynamic than in other areas. His delegation therefore welcomed the opportunity to engage substantively on these issues. Discussions based on the US proposal would further help intensify the negotiations in keeping with the recent announcement of full resumption. In New Zealand's view, the US paper was a constructive and substantive contribution to the negotiations, as it set out workable and practical suggestions for taking the process forward. The US paper addressed the two interrelated elements of the Paragraph 31(ii) mandate, namely information exchange and observer status.

74. Regarding information exchange, New Zealand believed that enhanced information exchange and the cooperation that flowed from it would be fundamental in increasing the mutual supportiveness between trade and environment. With respect to timing, his delegation was supportive of the suggestion that MEA information sessions take place on a regular basis, for instance once every year as suggested by the US, with a review to take place every five years. As part of this review, Members could also assess the substance of MEA sessions, their usefulness and whether the structure adopted was actually working to the satisfaction of the wider membership. Such review could be made on an ongoing basis.

75. New Zealand supported the view that there should be a two-way information flow, and that the structure of such exchanges should not be overly prescriptive. With regard to the cross-cutting themes, the representative noted that Members should be engaging in some substance in terms of what the cross cutting themes might be each year. The sessions could be structured around short, focused presentations from the WTO secretariat and MEAs, depending on the theme of the meeting. Those presentations should be designed to stimulate discussions about the information being exchanged; specific discussions points could also be used to help focus the exchange.

76. On the question of background material, New Zealand emphasized the need to make it brief and focused to the point of the cross-cutting theme addressed at the meeting. In terms of the reports on the activities, information sessions provided a useful opportunity to learn about the collaborative activities that were carried out; this could helpfully inform Members' thinking about the kind of issues they were grappling with in terms of national coordination, but also in terms of bilateral information exchange processes with other WTO Members and technical assistance. New Zealand supported the US proposal that the WTO secretariat should prepare a list of documents that it had received and then circulating that more widely. This could also include a brief summary of each of the documents listed. As other delegations had pointed out, his delegation also believed in taking advantage of the evolution of information technology, for instance by using hyperlinking to help improve the visibility of this kind of material.

77. Exchanges about national experiences had usefully highlighted the importance of domestic coordination, and these processes could help enhance the coherence between trade and environment policies. In New Zealand's view, information exchange between WTO and MEAs was not in any way a substitute for coordination at the national level, as noted by Australia, but could supplement such coordination.

78. With regard to the issue of observer status, the US paper helpfully set out the specific elements that Members needed to consider. New Zealand strongly supported the US point that the mandate of negotiation was tightly drawn to the issue of observer status for relevant MEA secretariats and did not extend to the broader question of observer status of international organizations in the WTO; that was a matter for the General Council to address. The outline in Paragraph 18 of the US paper, which contained a list of specific criteria or indicative questions provided a good basis on

which to further engage. In New Zealand's view, one size did not necessarily fit all, in particular when taking into account new and emerging MEAs. In this regard, his delegation welcomed the point made by the US in paragraphs 17 and 19 of its paper that the list was non exhaustive, and that some flexibility would be required.

79. In particular, with regard to the first indicative question, New Zealand noted that an MEA may not contain specific trade obligations but more general trade-related obligations that applied among the parties. This was the case for some regional fisheries agreements that could contribute to discussions in WTO. Some level of flexibility would therefore be required in order to move the process forward. New Zealand observed that the way the question had been cast in the US paper, i.e. referring to MEA containing specific trade obligations "or other trade-related obligations among parties" helpfully provided some flexibility.

80. In New Zealand's view, the second indicative question regarding whether the MEA had observer status in other bodies could provide a useful indication of engagement and the relevance of the MEA's work. The third and fourth questions posed in paragraph 18 of the US paper were similarly useful. However, it was important to keep in mind the new and emerging MEAs. With regard to the list of indicative questions, New Zealand asked whether the US was thinking about asking the WTO secretariat to compile possible answers to these questions, or whether the questions were supposed to guide the consideration of requests for observer status by relevant committees.

81. Moreover, New Zealand welcomed the suggestion that where agreement could not be reached with respect to a particular request, a mechanism of ad hoc observer status could be used. This would not be an ideal solution but would still facilitate information exchange and cooperation. Finally, the representative expressed support for the proposal to grant observer status for the remainder of the negotiations to the seven MEA secretariats listed in footnote 1 of the US paper. In summary, his delegation welcomed the US submission as a timely, substantive and constructive contribution that would help focus Members' attention on an area of the negotiations that had been rather neglected. His delegation looked forward to further discussions under this item and to working with others to develop the shape of an outcome that would work in a practical and effective manner.

82. The representative of Côte d'Ivoire congratulated the US for its pertinent submission. Côte d'Ivoire particularly supported the proposals in the submission relating to institution building, technical assistance and capacity building and also working on national processes in the area of trade and environment.

83. With respect to information exchange and information sessions, and also with a view to transparency, the representative wondered about the role of developing countries, including LDCs, in the sessions. For instance, Members might benefit from receiving information from developing countries who had had bad experiences in terms of non-respect of certain MEAs. The representative noted that Côte d'Ivoire had faced a serious problem involving toxic waste. In this instance, Côte d'Ivoire had not been informed about the source of the waste, notwithstanding the fact that under the relevant convention, the country of origin was obliged to inform the MEA secretariat, which in turn was to inform the country of destination. In the view of Côte d'Ivoire, this type of experience could be shared in the information sessions.

84. With regard to document exchange and the proposal in the US submission to "reaffirm the need to share documents at the domestic level as a first-best way to inform trade and environment officials of WTO and MEA activities", the representative suggested two key players might be the World Customs Organization (WCO) and transport services. On the latter, it was important to involve transport services because all waste, including toxic waste, was transported. On technical assistance and capacity building, the representative said such assistance must work in support of developing

countries and LDCs. Also, there needed to be proper exchanges between developed and developing countries so the latter could benefit from the experience of developed countries.

85. The representative of Australia joined other delegations in thanking the US for their work in preparing the submission. Although it had received less attention, Paragraph 31(ii) was nevertheless an important part of the mandate and indeed Australia had already seen benefits from improved information exchange and increased national level coordination. Australia supported the ideas put forward and the proposals by the US on information sessions and document exchange. As well, Australia re-emphasized the value of national level coordination and information exchange at the domestic level. On this point, the representative noted that capacity building and technical assistance were important elements in facilitating and enhancing this domestic level coordination in developing countries. Her delegation agreed with the point made by New Zealand and the US that international information exchange while useful, was not a substitute for national level coordination. On observer status, Australia regarded the questions posed by the US as providing a good basis for discussion; Australia was flexible on this part of the mandate and willing to engage further on the issue.

86. The representative of Chile thanked the US for the submission which was important with a view to further developing the work of CTESS. Regarding the annex, Chile agreed with its content with respect to information sessions and document exchange. Chile also wished to stress the importance of coordination at domestic level: while it was sometimes difficult to achieve this coordination in developing countries, positive results could be achieved if the necessary efforts were made. As well, the representative underscored the importance of the use of the internet and information technologies in general: for example, video-conferences could sometimes be a good substitute when time and resource constraints precluded personal or other forms of meetings. On technical assistance and capacity building, this aspect was of particular interest to countries such as Chile as they sought to develop.

87. The issue of observer status was a key part of the mandate under Paragraph 31(ii). Chile wished to see general and flexible criteria established that would not be too difficult to implement in practice. In this regard, the indicative questions in the US submission were very detailed and perhaps overly rigid. Chile preferred a mechanism that would be more straightforward in its implementation. Finally, Chile agreed with Australia that the outcome of deliberations under Paragraph 31(ii) needed to underpin the work under Paragraph 31(i). The three parts of the Paragraph 31 mandate were interlinked and of equal importance.

88. The representative of South Africa welcomed the US submission as providing a good basis for discussion under Paragraph 31(ii). Noting that the other two elements of Paragraph 31 had received more attention over the years, the representative said it was timely to give more focus to Paragraph 31(ii). She added that South Africa shared the view of other delegations that all three elements needed to contribute together to help achieve the objective of reaffirming the mutual supportiveness of trade and environment. In terms of information exchange, South Africa agreed that facilitating transparency and increasing accessibility to information was the sort of outcome Members needed to look towards achieving. South Africa agreed broadly with the US ideas and looked forward to further discussion and the US response to questions raised in the meeting. Concerning integration of technical assistance into the cooperation between WTO and MEAs, South Africa viewed that as a good idea meriting further consideration.

89. On the issue of observer status, while South Africa agreed with the objective of the US to facilitate the participation of MEAs as observers, they had doubts about the vehicle proposed to achieve this objective. In principle, South Africa did not object to the idea of indicative questions. However, the examples provided by the US gave an impression of creating additional hoops for MEAs to jump through before being granted observer status. Also, the indicative questions tended to

be qualitative and there was never any right or wrong answer to a qualitative question; it could end up making the process more drawn out than it needed to be.

90. The representative referred to the point made by Japan that not all MEAS had specific trade measures or trade obligations but could influence trade and, in that sense, could have a competence the CTESS might need to draw upon in its discussions. This highlighted the point that the indicative questions, while not being exhaustive, needed to have sufficient coverage; potentially it could become very complicating. South Africa agreed also with Chile that any criteria established, while not necessarily being automatic, should be straightforward and should not complicate matters. Noting South Africa's view of the critical role of UNEP and UNCTAD, and referring also to the important role of WCO in the CTESS discussions on Paragraph 31(iii), the representative asked whether these organizations had not been mentioned in the US submission because they were seen as international organizations falling outside the scope of Paragraph 31(ii).

91. The representative of Korea joined with others in thanking the US for its valuable and timely submission under Paragraph 31(ii) which provided a good opportunity for CTESS to discuss the important issues raised. In Korea's view, Paragraph 31(ii) also impacted on Paragraph 31(i) issues, as both aspects were interrelated and mutually supportive. Concerning information exchange and document exchange, Korea would have no problem with the US submission. Concerning the proposal to grant permanent observer status for the remainder of the DDA negotiations to the seven MEA secretariats that currently had ad hoc observer status in the CTESS, Korea similarly joined with other delegations in supporting this idea. Korea also wished to emphasize UNEP's important and critical role in the trade and environment discussions.

92. With regard to observer status, Korea noted that the CTESS should be flexible in determining or applying any indicative list of questions. If CTESS prepared numerous questions, each WTO body would then decide which elements or which questions they could utilize in deciding on observership questions. For Korea, the CTESS should not spend too much time exploring possible questions since the final decision would rest with each WTO body.

93. With respect to Japan's question on evaluation of technical assistance activities, the Chairman noted that regular evaluations of technical assistance programmes were conducted in the WTO and were discussed in the Committee on Trade and Development (CTD). In fact, a very exhaustive evaluation of the technical assistance programme had been discussed in 2006 in the CTD. The CTE did not have a separate mechanism for evaluation.

94. The representative of Japan thanked the Chairman for the clarification on evaluation of technical assistance activities. The representative also referred to the intervention by the representative of India and reiterated Japan's position with respect to the proposed information sessions with MEA secretariats. Specifically, Japan supported the holding of these sessions on an annual basis initially; then, following a stocktaking, a decision could be taken on whether to hold the sessions more or less frequently.

95. The representative of the European Communities (EC) referred to the US proposal that the CTESS grant permanent observer status for the remainder of the DDA negotiations to the seven MEA secretariats that currently had ad hoc observership. He said the EC supported this proposal entirely and in fact was even more ambitious to the extent they would prefer observership be extended to all thirteen core MEAs as set out in their own submission.⁸

96. The representative of the United States thanked delegations for their comments on its proposal in TN/TE/W/70, as well as additional suggestions and ideas. Several delegations had

⁸ TN/TE/W/66.

mentioned the important linkages between Paragraphs 31(ii) and 31(i). The US agreed that there were positive synergies that could be developed through a very practical and useful outcome under Paragraph 31(ii).

97. With regard to the indicative questions on observer status, the representative noted that the US thinking behind proposing indicative questions was that they would be very flexible and that there would be no right or wrong answer. Rather, indicative questions could be used by each Member within each WTO body in its consideration of an MEA request for observer status. The US did not feel strongly about any one of the indicative questions; the questions in its paper had been proposed simply as a basis for discussion. Some interesting ideas had been put forward about how indicative questions could be more facilitating in their nature for MEA secretariats; the US was interested in exploring those ideas further.

98. Some delegations had voiced concern regarding the fact that the US paper did not specifically mention UNEP or other international organizations such as UNCTAD or WCO. The representative noted that there was no intention to exclude other international organizations; the US paper focused on MEAs because these were the organizations that were specifically referred to in the mandate.

99. Turning to some of the more specific questions, Japan had asked for a clarification on the US recommendation that in the event that an MEA observer request could not be decided upon, WTO bodies should be encouraged to invite that MEA to relevant meetings on an ad hoc basis. This proposal was simply aimed at facilitating the ability of some of the MEAs to attend discussions and have access to information. Ultimately, the decision would be up to each relevant WTO body, but WTO bodies could still be encouraged to consider granting observer status on an ad hoc basis.

100. With respect to the point raised by Colombia regarding the need to coordinate the timing of the information exchange sessions with MEA meetings, the US noted that as Members discussed relevant topics for these sessions, they could also think about the most relevant sets of MEAs and try to organize the sessions in coordination with those particular MEAs. Regarding the question raised by Brazil on MEA participation, the US intention was to be as inclusive as possible and include topics that were of interest to the broadest array of MEAs.

101. Regarding the proposal on stock taking, the US agreed that there should be an ongoing process for reviewing the structure of the information sessions. It would be up to the membership to determine the actual nature of the stock taking, but new ideas about how to usefully conduct the information sessions would always be welcome.

102. Several delegations including Switzerland and Thailand had asked that the US further elaborate on its proposal for technical assistance and capacity building among secretariats and to better foster domestic trade and environment coordination procedures. The US did not have specific ideas on this matter and was interested in hearing proposals by other delegations on how to further develop this particular element. Regarding the question raised by the EC, the US noted that this was something for the membership to further discuss in order to identify what could be most useful in this area.

103. With regard to the question raised by New Zealand, whether the indicative questions were intended to be answered by the MEA secretariats that were applying for observer status, or were simply intended to be used as a basis for discussion, the US was open to discussing how the indicative questions could be applied ultimately, as well as the substance of these questions. If the membership felt that the questions should go into a different direction, i.e. a more facilitative direction for MEAs, the US was interested to hear other proposals from different Members. The US appreciated the input by other delegations, which gave a good basis to further develop some of the ideas in future meetings.

104. The representative of UNEP said 2007 represented an important milestone for global environmental governance: it was the 35th anniversary of the founding of UNEP, the 15th anniversary of the Rio Earth Summit, and the 5th anniversary of the World Summit on Sustainable Development. 2007 had also witnessed unprecedented media attention to current global environmental challenges, particularly climate change. It was in this context that delegates from 141 countries and representatives from intergovernmental and non-governmental organizations, 1000 participants in all, had met in Nairobi from 5-9 February 2007 for the 24th Session of UNEP's Governing Council/Global Ministerial Environment Forum. Heads of seven international organizations, including Mr. Pascal Lamy, Director-General of the WTO, and Mr. Kemal Dervis, Administrator of the UNDP, had also attended. The representative noted that it was the first time a WTO Director-General had participated in a UNEP Governing Council meeting.

105. In addition to discussing UNEP's work programme and budget, Ministers attending the Governing Council/Global Ministerial Environment Forum had focused their attention on two critical policy issues; namely, international environmental governance and, most relevant to the CTESS's work, the relationship between globalization and the environment. These issues had been debated during several panel and ministerial roundtable discussions.

106. The representative noted that Mr. Lamy had participated in two of the panel discussions. In his presentation to Environment Ministers, Mr. Lamy had affirmed that sustainable development was at the heart of the WTO and urged continued support from the environmental community in bringing the WTO Doha negotiations to a successful conclusion. Mr. Lamy had noted that "The WTO, UNEP and Multilateral Environmental Agreements – as well as other international institutions – must be put to work towards a shared sustainable development vision." Moreover, he had noted the need to build strong linkages between the WTO and UNEP.

107. For his part, the new Executive Director of UNEP, Mr. Achim Steiner, had challenged delegates attending the meeting to consider ways in which globalization could contribute to environmental protection. He had noted that on the one hand there would be no lasting developments without a sustainably managed environment and likewise that the environment could not be protected without development, economic opportunity, and economic growth taking place.

108. The representative said the sentiments expressed by Mr. Lamy and Mr. Steiner had been echoed in ministerial roundtable discussions, which were summarized in a report of the President of the Governing Council, H.E. Mr. Roberto Dobles More, Costa Rica's Minister of Environment and Energy.⁹ As reflected in the report, Ministers in their discussions had called on UNEP to contribute substantively to the dialogue on global trade to help shape trade-related rules and institutions. They had also requested that UNEP work closely with the WTO Secretariat in promoting mutual supportiveness of trade and environment.

109. In addition to the plenary roundtable discussions, the UNEP and WTO secretariats had jointly organized in Nairobi on 5 February 2007 a high-level side event on "Globalization and Environment: Ensuring Coherence Between the Trade and Environment Regimes." Both Mr. Lamy and Mr. Steiner had participated, joined by H.E. Dr. Mukhisa Kituyi, Minister of Trade and Industry of Kenya and H.E. Mr. Giancarlo Piatti, Under-Secretary of State for the Ministry of Environment, Land and Sea of Italy. The roundtable, which was attended by over 150 participants, had explored opportunities for promoting greater coherence and reinforcing mutual supportiveness between trade and environmental policies and regimes.

110. The representative described the focus on trade and environment issues during UNEP's Governing Council/Global Ministerial Environment Forum as remarkable, reflecting not only the

⁹ TN/TE/INF/11.

importance given to the issues by Environment Ministers but also the commitment of Mr. Steiner and Mr. Lamy actively to cooperate in promoting mutually supportive trade and environment policies.

111. The representative of Australia thanked UNEP for its intervention. Drawing from the report of the Australian delegation on the Nairobi ministerial meeting, she noted that in addition to the aspects mentioned by the UNEP representative, there was also recognition in Nairobi of the importance of improved coherence among national environmental, trade and sectoral ministries, for instance in the areas of agriculture and transport, and that this was considered a low cost, high pay off activity to support consistent enunciation of government positions in development, economic, trade and other fora. The representative said it was useful to note that while delegations in the trade setting were pushing for improved coordination at domestic level and international level, the push was also coming from the environment negotiations.

112. In concluding on the item, the Chairman noted that the outline provided in the annex to the US submission (TN/TE/W/70), had been particularly useful in focusing the present discussion. The discussion had provided a clearer picture of where delegations stood on the different elements proposed. The Chairman observed that many delegations had indicated their interest in further advancing the work and that there was scope for making progress on this part of the mandate. The next step would be to proceed to a more in depth examination of the various elements on the table.

III. PARAGRAPH 31(III): ENVIRONMENTAL GOODS AND SERVICES

113. The Chairman noted that there were no new submissions under this agenda item.

114. The representative of the United States said her delegation had enjoyed good conversations with other delegations on the margins of the meeting and looked forward to continuing the discussions. The representative had a sense that delegations wanted to find a pragmatic way forward and remained committed to a very good result in the negotiations, one that would benefit trade and environment and produce the kind of win-win scenario that all Members wanted.

115. The representative of Egypt said that in addition to a result that would be beneficial to environment and trade, CTESS was also looking for a development result under Paragraph 31(iii). Such a result would be possible with the goodwill of Members and under the Chairman's leadership of the Committee.

116. The representative of UNEP informed the CTESS of an upcoming informal roundtable discussion on environmental goods being co-organized by the UNEP-UNCTAD Capacity Building Task Force, University of Geneva Faculty of law, Geneva-based Graduate Institute of International Studies, and the International Network for Environmental Compliance and Enforcement. The roundtable scheduled on 14 March would explore the opportunities and challenges presented by the WTO Environmental Goods and Services negotiations for promoting the transfer of cleaner technologies and practices. The initiative was funded through the Geneva International Academic Network.

117. The representative of UNCTAD referred to a forthcoming meeting of the UNCTAD Commission on Trade in Goods and Services, and Commodities in March and informed the CTESS that this would include a special session on environmental goods and services, tentatively scheduled on 22 March. It was UNCTAD's intention to use the session to address some legal issues implicit in the negotiations, to look also at non-tariff barriers and how they could be dealt with in the negotiations in general and in the Environmental Goods and Services negotiations in particular, and to look at the mandate in the broader context of sustainable development.

IV. OTHER BUSINESS

118. The Chairman informed delegations of his intention to convene a formal meeting of the CTESS at the beginning of May 2007 and to hold informal discussions with delegations earlier to try to advance the Committee's work particularly under Paragraph 31(ii). The Chairman said that following discussions at the present meeting, Paragraph 31(ii) was an area where the CTESS seemed to have a concrete basis for taking the work further; he therefore wished to examine in more depth, with delegations, the different elements on the table ahead of the next formal meeting.

119. The United States recalled its proposal that observer status be granted for the remainder of the WTO negotiations to the seven MEA secretariats that had ad hoc observership in the CTESS. The representative noted that the issue could be raised in consultations with delegations prior to the next formal meeting, as many delegations had expressed support for this idea.

120. In response to requests from a number of delegations, the Chairman suggested the Secretariat prepare a revision of the document entitled "Synthesis of Submissions on Environmental Goods: Informal Note by the Secretariat."¹⁰ The revision should reflect any changes in terms of lists put forward by Members under Paragraph 31(iii) and should be updated as well to reflect new submissions and proposals under Paragraph 31(iii) tabled after preparation of the original document.

121. The CTESS agreed to the renewal of the ad hoc invitations issued for that meeting at the next meeting of the CTESS.¹¹

¹⁰ TN/TE/W/63.

¹¹ The following organizations will be invited to participate as *ad hoc* invitees: UNEP, UNCTAD, the World Customs Organization (WCO), the OECD, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the Stockholm Convention on Persistent Organic Pollutants and the United Nations Framework Convention on Climate Change (UNFCCC).