

WORLD TRADE ORGANIZATION

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Committee on Trade and Environment
Special Session

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PROPOSAL FOR A DECISION OF THE MINISTERIAL CONFERENCE ON TRADE AND ENVIRONMENT

Submission by the European Communities

Paragraph 31(i)

The following communication, dated 29 June 2006, is being circulated at the request of the European Communities.

DECISION OF THE MINISTERIAL CONFERENCE ON TRADE AND ENVIRONMENT

Members,

Having regard to Article IV:1 and Article IX:1 of the WTO Agreement,

Recalling the terms of the Preamble to the WTO Agreement, in particular allowing for the optimal use of the world's resources in accordance with the objective of sustainable development and the need to protect and preserve the environment;

Determined to enhance the mutual supportiveness of trade and environment;

Recognising that in accordance with the objective of sustainable development, Members have the right to adopt measures for the protection of animal or plant life or health and for the conservation of natural resources, provided such measures do not constitute arbitrary or unjustifiable discrimination and comply with the other requirements laid down in Article XX (b) and (g) of the GATT 1994;

Reaffirming that Multilateral Environmental Agreements (MEAs) constitute the response of the international community to trans-boundary environmental problems; and noting that multilateral approaches to global environmental problems are to be strongly preferred;

Recognising that while WTO members have the right to bring disputes to the WTO dispute settlement mechanism, if a dispute arises between WTO members which are Parties to an MEA over trade measures they are applying pursuant to that MEA, they shall endeavour to resolve it through the dispute settlement mechanism available under the MEA;

Recognising that all Members through their individual and collective actions are responsible for and committed to the protection of the environment and that MEAs play an instrumental role in reinforcing these actions;

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Reaffirming that MEAs and WTO rules contribute jointly to the international community's pursuit of shared objectives; and expressing our desire that trade and environment policies blend effectively to deliver sustainable development;

Decide as follows:

1. The WTO shall reconcile expanding production of and trade in goods and services with the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect the environment and to enhance the means for doing so in a manner consistent with Members' respective needs and concerns at different levels of economic development.
 2. With a view to pursuing sound multilateral governance, the following principles shall govern the relationship between MEAs and WTO rules:
 - (a) *Mutual supportiveness*: Under WTO rules, no country shall be prevented from taking measures for the protection of human, animal or plant life or health, or of the environment ensuring the level of protection it considers appropriate. Efforts to safeguard the non-discriminatory multilateral trading system must go hand-in-hand with the commitment to sustainable development. All WTO bodies shall ensure that the interpretation and application of WTO rules takes due account of, and is mutually supportive with, the provisions of MEAs.
 - (b) *No subordination*: Both MEAs and WTO Agreement constitute legitimate bodies of international law of equal standing. Due respect must be accorded to each.
 - (c) *Deference*: MEAs and the WTO have distinct competences within a mutually supportive multilateral governance framework. Their respective expertise in environment and trade matters shall be valued and utilised.
 - (d) *Transparency*: with a view to enhancing the mutual supportiveness of trade and the environment, a mechanism for regular information exchange between the WTO and MEAs shall be implemented.
 3. With a view to ensuring the appropriate consideration of environmental issues by WTO bodies and Members:
 - (a) In the interests of creating a clearer appreciation of their respective and interlinked priorities, MEA *bodies* shall, upon request, be granted observer status in relevant WTO committees.
 - (b) Where a WTO Committee examines issues with an environmental content, relating to a particular MEA, that Committee shall call for and defer to, in the relevant points, the expertise of the MEA in question.
 - (c) Where a WTO panel examines issues with an environmental content, relating to a particular MEA, the panel shall call for and defer to, in the relevant points, the expertise of the MEA in question.
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