

Executive Summary

For many outside observers, particularly in the environmental and developmental non-governmental communities, the Committee on Trade and Environment's (CTE) report to the 1996 Singapore Ministerial of the World Trade Organization (WTO) is at best anodyne if not a major disappointment. This paper, written from the trade negotiator perspective, outlines the negotiating dynamic of the preparation of the CTE report as well as the internal policy formulation and negotiating strategy of the Canadian delegation in the lead-up to the Singapore Ministerial.

The horizontal nature of trade and environment issues, cutting across all WTO Agreements, combined with the need to integrate environmental policy considerations, means that these results must be seen in perspective. Most delegations to the WTO are composed only of trade officials with limited consultations with environmental colleagues. This, combined with concern over possible protectionist abuse of increased scope for environmental measures as well as lack of negotiating coinage within the CTE and in the WTO as a whole, limited the degree to which delegations were prepared to consider possible rule changes or interpretations.

Moreover, the dynamics between delegations, the Chair and the Secretariat further complicated the negotiations. In contrast to most negotiations, where small informal drafting groups are used to address specific issues or problem areas, the CTE was largely condemned to an open-ended drafting process.

For Canada, the two priorities were multilateral environmental agreements (MEAs) and ecolabelling. The Canadian position on both issues evolved considerably during the CTE process, reflecting greater interdepartmental understanding of the issues and alternative approaches, as well as the need, from both environmental and trade policy perspectives, to develop proposals that reflected these two policy perspectives.

The MEA issue dominated discussions of the CTE, given the impact that any possible accommodation for MEAs (i.e., where MEA provisions would "over-ride" WTO provisions) could have on WTO Agreements. Many countries were thus concerned over any possible erosion of market access commitments negotiated under the WTO. Proposals ranged from a relatively liberal "environmental window" approach of the European Union (the *demandeurs*) to the restrictive waiver approaches of ASEAN and Hong Kong. WTO jurisprudence also evolved in a manner that provided greater clarity and flexibility for environmental measures, contributing to United States disengagement on the MEA issue and thus further complicating the negotiating dynamic.

Canada's position evolved from a waiver to a guidelines based approach. Moreover, Canada developed a matrix comparing the alternative approaches identified as a means to draw together common strands among the various proposals as well as narrowing the points of disagreement. However, the negotiating dynamic did not allow for significant movement and it was only in the