

1. Introduction

There is little debate these days about the need to address environmental problems in a timely and effective way. In developed and developing countries alike, concerns about pollution, depletion of resources, the threatened extinction of plant and animal species, atmospheric change and problems associated with the disposal of wastes are contributing to a sense of urgency about the environment. As this sense of urgency grows, political pressure is increasing.

Dealing with the root causes of many environmental issues continues to be difficult, however, often due to the still widespread reluctance or inability of both developed and developing countries to face the costs involved. There are no easy answers and progress can be slow. As environmental groups and others grow impatient with the pace of progress, attention is being directed to the use of trade restrictions to pursue environmental goals. Trade restrictions, especially those intended to exert pressure on countries considered to have inadequate environmental programmes and standards, are often seen as fast and effective tools for achieving change. They also have appeal for some governments as a high-profile way to respond to political pressures when other solutions to the underlying environmental problem are considered to be too difficult or costly in the short-term. Accompanying the proposals for trade restrictions are calls for amendments to the international trade rules under the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO - scheduled to come into effect in 1995), aimed at providing greater flexibility for trade action.

Discussions on trade and environment have been underway in the GATT for over two years. Considerable progress has been made in clarifying the issues and identifying some of their implications. Taking account of those discussions, an expanded programme of work was agreed to at the April 1994 Ministerial Conference held in Marrakesh to conclude the Uruguay Round trade negotiations. A new Trade and Environment Committee also was established at Marrakesh to pursue the expanded work programme. The Committee will report to the first Ministerial Conference following WTO implementation, at which time the work programme and status of the Committee will be reviewed.

Although no conclusions have been reached about the merit of proposals for change to the GATT/WTO and whether the process should at some point lead to a negotiating phase, a number of themes have emerged in the GATT discussions so far. Three points of consensus are worth mentioning at the outset.