

Policies that were adopted in 1972. With brief descriptions, the four general principles are:

1. **Polluter Pays:** This is the fundamental principle for the non-subsidization of polluters, but which also specifies exceptions for environmental subsidies.
2. **Harmonization:** This principle recommends the harmonization of environmental policies where no valid reasons for differences exist.
3. **National Treatment and Non-Discrimination:** This principle states that environmental measures that apply to products should be consistent with the GATT principles of national treatment and non-discrimination.
4. **Compensating Import Levies and Export Rebates:** This principle prohibits import levies and export rebates to neutralize cost variations arising from differences in environmental policies.

The Joint Experts Group is reviewing these principles and, if appropriate, may recommend that they be updated. For example, it is considered that the exceptions to the Polluter Pays principle may require clarification and that the procedures for monitoring environmental subsidies could be improved. In addition, the exceptions to harmonization could be more explicitly specified. Furthermore, the priorities and parameters for the harmonization of various types of environmental policies could be clarified.

In addition to the foregoing, the Joint Experts Group has initiated work in four areas:

1. **Trade Measures in International Environmental and Conservation Agreements:** Rules would guide the effective and least trade-distorting use of trade measures.
2. **Effects of Trade Policies on the Environment:** Recommendations would increase the environmental sensitivity of trade policies and trade agreements and ensure that their environmental effects are adequately taken into account.
3. **Effects of Environmental Policies on Trade:** Recommendations would increase the trade sensitivity of environmental policies and ensure that their trade effects are adequately taken into account.
4. **Application to the Developing Countries:** The extent to which the Guiding Principles should be used to internalize environmental costs in developing countries and to mitigate potential trade problems will be reviewed.

Thus far, the Joint Experts Group has identified the key linkages between trade and the environment and has completed an initial analysis of these. On the basis of this work, the OECD ministers have reached agreement on the following broad issues:

1. Trade and environmental policies can be mutually supportive in the pursuit of sustainable development, particularly if those policy interventions that have negative trade and environmental impacts are removed and if environmental benefits and costs are internalized into national and international prices. Unlike sustainable development,