

MARKET ACCESS AND ENVIRONMENTAL PROTECTION: A Negotiator's Point of View*

At the Marrakesh Ministerial in April 1994, Ministers gave the World Trade Organization (WTO) a mandate to examine the relationship between the multilateral trading system and environmental policies and measures, and whether any modifications to the trading rules were required to make trade and environmental policies mutually supportive (Annex A). This decision followed three years of preparatory work in the *Uruguay Round* and Environmental Measures and International Trade (EMIT)¹ groups of the GATT and, as such, public expectations for the WTO Singapore Ministerial of these discussions and negotiations were high.

As the "oldest" of the new trade interface issues, the WTO's treatment of trade and environment can provide some indication of its capacity to address such complex horizontal issues. In retrospect, public expectations for the Committee on Trade and Environment (CTE) underestimated the challenge of policy integration in an international context. There was a very real conflict between the stated environmental policy objectives with respect to the use of trade instruments of the *demandeurs* of trade and the environment - primarily the USA and EU - and the more defensive orientation of other developed and developing countries, which focussed more on the perceived threat to existing WTO rights and obligations posed by multilateral and national environmental policies.

From a negotiating perspective, there were not many internal trade-offs on the table, and no non-trade and environment negotiations to balance off for concessions within the CTE. Thus there was little incentive for a number of countries to engage in serious discussions or negotiations. The CTE was in effect a sectoral negotiation but without the traditional incentive of enhanced market access to drive the negotiations.

In contrast to the policy orientation of the OECD, the WTO is less comfortable with such cross-cutting policy issues given the contractual bias of trade negotiations. In this context, and given the reality that most WTO Members have limited policy coordination between trade and environment ministries, a "balanced" result was most improbable. Moreover, being held in the WTO, the dialogue tended to be dominated by trade specialists and concerns, unlike the comparable OECD process where both trade and environmental specialists and concerns were well represented. This is not unique to the WTO; the same asymmetry from a different perspective is common to many multilateral environmental negotiations.

This article will focus on the two issues discussed within the CTE of greatest interest to Canada: multilateral environmental agreements (MEAs) and ecolabelling.

* This presentation represents one negotiator's recollection of the CTE negotiations. As such, the views presented should not be considered as definitive or authoritative.