

B. Making trade and environment mutually supportive

Basis of action

16. Environment and trade policies should be mutually supportive. An open, multilateral trading system makes possible a more efficient allocation and use of resources and thereby contributes to an increase in production and incomes and to lessening demands on the environment. It thus provides the additional resources needed for economic growth and development and improved environmental protection. A sound environment, on the other hand, provides the ecological and other resources needed to sustain growth and underpin a continuing expansion of trade. An open, multilateral trading system, supported by the adoption of sound environmental policies, would have a positive impact on the environment and contribute to sustainable development.

17. International cooperation in the environmental field is growing, and in a number of cases trade provisions in multilateral environment agreements have played a role in tackling global environmental challenges. Trade measures have thus been used in certain specific instances, where considered necessary, to enhance the effectiveness of environmental regulations for the protection of the environment. Such regulations should address the root causes of environmental degradation so as not to result in unjustified restrictions on trade. The challenge is to ensure that trade and environment policies are consistent and reinforce the process of sustainable development. However, account should be taken of the fact that environmental standards valid for developed countries may have unwarranted social and economic costs in developing countries.

Objectives

18. Governments should strive to meet the following objectives, through relevant multilateral forums including GATT, UNCTAD and other international organizations:

(a) Make international trade and environment policies mutually supportive in favour of sustainable development;

(b) [Improve the multilateral framework to identify and address circumstances when environment-related trade measures could be the most effective policy option for promoting the environmental goal while avoiding unnecessary restrictions to trade;]

(c) Clarify the role of GATT, UNCTAD and other international organizations in dealing with trade and environment-related issues including, where relevant, conciliation procedure and dispute settlement;

(d) Encourage international productivity and competitiveness and encourage a constructive role on the part of industry in dealing with environment and development issues.