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The link between trade and sustainable development is well established. Its importance was recognized in Rio in 1992, when the international community committed to promote an open international trading system as a means to realize sustainable development and cautioned against trade protectionism.

Sustainable development is an objective of the WTO. Two years after the Rio Summit in 1992, 123 countries successfully concluded the Uruguay Round of multilateral trade negotiations, which resulted in the creation of the WTO and the most significant reform of the rules-based multilateral trading system since its creation in the wake of the Second World War. In establishing the WTO, Members made a clear and explicit link between sustainable development and disciplined trade liberalization. The Preamble to the WTO's 1994 founding charter, the Marrakesh Agreement Establishing the WTO, recognizes that freer trade is not an end in itself, but is tied to crucially important human values and welfare goals such as raising living standards, using the world's resources sustainably, and protecting the environment. Sustainable development is also an explicit objective of the current round of multilateral trade negotiations under the Doha Development Agenda. In line with the ambition expressed in Principle 12 of the Rio Declaration, the multilateral trading system of the WTO promotes freer trade, which is critical not only to attain a more efficient use of existing resources but also to generate the additional resources needed for sustainable development.

Today, the WTO represents a significant multilateral framework for advancing sustainable development and collectively guarding against green protectionism. Fundamental WTO principles of non-discrimination, predictability, and transparency, and the entire toolbox of rules, institutions and work afford a substantial basis to help countries to maintain the resolve - expressed in Principle 12 of the Rio Declaration - that measures in pursuit of environmental objectives should not be disguised restrictions on international trade. This resolve remains highly relevant.

Consider the example of environmental requirements, which are among the most widespread policy instruments used by developed and developing countries to foster a green economy. Many countries are using these instruments to improve resource use and reduce pollution by setting specifications for products and production processes in order to meet a wide range of environmental criteria. These relate to energy efficiency, emissions performance, waste minimization and recycling, water use, forestry management, and soil and natural habitat protection.

Environmental requirements are not new, but they have been proliferating. For example, in recent years, a growing number of environmental requirements such as mandatory technical regulations and labelling schemes have been introduced with respect to climate-friendly goods and energy efficiency, in countries as different as Ghana and New Zealand.

Moreover, a relatively new development has been the rapid proliferation of voluntary green standards across countries and sectors of economic activity. This largely reflects growing public engagement in efforts to promote a green economy. Voluntary standards include initiatives such as carbon footprint labelling schemes and certification schemes for the sustainable management of forests. These standards are developed and managed individually or collectively by businesses, trade associations, certification firms, standards organizations, consumer groups, trade unions, and other non-governmental organizations, at either national or international levels.

Irrespective of their mandatory or voluntary nature, environmental requirements may impact trade. This could happen, for example, if they lack transparency, are inadequately applied, or are used as a means to shield domestic producers from international competition.

The WTO, and its predecessor the GATT, have a long history of helping countries to ensure that environmental and other requirements to fulfill legitimate policy objectives do not discriminate against foreign trading partners, or are used as disguised restrictions to trade. Through the time-honoured principles of non-discrimination, the avoidance of unnecessary obstacles to trade, and harmonization, the WTO can ensure that, in exercising their right to apply technical requirements in support of a green economy, governments can continue to benefit from smooth, predictable, and open trade flows in the future.

In addition, the WTO provides its members with a unique platform to explore, understand, discuss, and influence requirements adopted under the banner of the green economy before these measures result in negative trade consequences. This transparency platform complements and reinforces the powerful role of WTO rules in ensuring that green economy measures do not restrict trade unnecessarily.

Some statistics help to illustrate the active use that WTO members make of this transparency platform. Between the establishment of the WTO in 1995 and mid-2011, approximately 13,500 notifications by developed and developing countries have been submitted to the WTO Committee on Technical Barriers to Trade, the main forum where discussions of environmental requirements take place. Of the total number of notifications, approximately 18% were about measures related to the environment, in particular requirements on product characteristics and performance, conformity assessment procedures, labelling requirements, and requirements linked to bans. Recent measures notified span the entire range of areas covered by the green economy, including energy efficiency and conservation; soil, air, and water pollution abatement; conservation of wild fauna and flora; waste reduction and management; and compliance with multilateral environmental agreements.

Along with environmental requirements, government support is another type of policy measure that has received considerable attention in recent discussions on the green economy. Attention has focused in particular on the development and deployment of renewable sources of energy. As suggested by the notifications of environment-related support programmes submitted to the WTO, the number of such programmes has registered a marked increase in both developed and developing countries in recent years.

The relevant WTO rules do not prevent countries from implementing government support programmes, but do impose specific conditions. The relevant rules define the concept of "subsidy", establish the conditions under which WTO members may or may not employ subsidies, and regulate the remedies that may be taken against subsidized imports.

Finally, many aspects of the current WTO work agenda directly feed into the sustainable development and green economy vision. WTO members are negotiating the elimination or reduction of tariff and non-tariff barriers to environmental goods. In addition,

they are negotiating access to a range of environmental services which are essential to implement policies aimed at mitigating global warming and improving environmental protection more generally.

Members are also negotiating to "clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries". Removal of trade distortions, in particular harmful subsidies, can constitute a triple-win for trade, environment, and development.

As for capacity building, the WTO is assisting developing countries to take advantage of market access opportunities arising from greater trade liberalisation through initiatives with other agencies, including aid for trade and the Integrated Framework programme. Through this work, WTO connects with efforts by international organizations to help developing countries identify green export opportunities and develop capacities in the production and export of related goods and services.
