

(1700.05.10.01)

OPTION ONE

Trade and Environment

We agree (to negotiations to be directed) to clarifying existing WTO rules on matters examined under the Committee on Trade and Environment's terms of reference.

Clarification will be sought in full conformity with the basic concepts and principles of existing WTO agreements and incorporating the results of dispute settlement. The outcome shall not create scope for protectionist abuse.

In the initial phase Members will indicate the issues they believe require clarification, and in the light of discussions, will, within X months, submit initial contributions.

We will at the Fifth Ministerial consider giving further specific guidance to this work.

Additional guarantees against protectionist abuse could be inserted, if others can identify helpful ideas.

OPTION TWO

Trade and Environment

We agree to negotiations to be conducted by the Committee on Trade and Environment meeting in Special Session.

Negotiations are to be directed to clarifying existing WTO rules.

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Open-ended

The aim is to increase predictability in the multilateral trading system and to ensure compatibility between WTO and public policy or market responses to environmental concerns.

In an initial phase, Members will indicate issues they believe require clarification, and in the light of discussions, will, within X months, submit initial contributions where necessary.

Clarification will be sought in full conformity with the basic concepts and principles of existing WTO agreements and incorporating the results of dispute settlement.

The outcome shall not create scope for protectionist abuse.

Elements for examination should include:

-Clarification, in pursuance of the WTO's objective of sustainable development, those situations in which the outcome of negotiations mandated in this work programme would benefit trade, the environment and development, with a view to concrete steps such as improved market access for environmentally helpful goods and services...

-Clarification of the non-protectionist and science-based application of risk assessment and management provisions, including the possible codification of relevant results of WTO dispute settlement concerning the SPS agreement and similar clarification of the TBT agreement;

-Clarification of ways to implement the TRIPS agreement in a manner mutually supportive of the Convention on Biological Diversity;

-Clarification of the treatment of the export of domestically prohibited goods, in the light of WTO rules and evolving international practice;

-Clarification of the relationship between existing WTO agreements and multilateral environment agreements (MEAs), while ensuring that trade measures taken pursuant to an MEA are not applied in a way which constitutes a means of arbitrary or

unjustifiable discrimination between members or a disguised restriction on international trade;

-Clarification, as appropriate, of the relationship between existing WTO agreements and labelling, while improving consultation of third parties both in the operation of labelling schemes and in the development of specific labelling criteria or requirements.