

**CLIMATE JUSTICE DIALOGUE**

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**EQUITY OUTSIDE THE UNFCCC:  
LESSONS FROM OTHER MULTILATERAL REGIMES**

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## TOPICS

1. WHAT IS THE WTO?
2. TRADE AND ENVIRONMENT.
3. SPECIAL AND DIFERENTIATED TREATMENT.
4. FINAL REFLECTIONS.





## 1. ¿ WHAT IS THE WTO? :

### World Trade Organization

- » International Organization
- » Global rules of trade between WTO Members

**Objectives:** Trade flows as transparent, predictable, and free as possible

- » Improve the welfare of people



## 2. TRADE AND ENVIRONMENT

### » HISTORY OF PREJUDICES:

- Trade liberalization is bad for the environment.

*Some answers are: The causes of environmental degradation would not be in trade as such, but on market failures and inadequate policies. Trade could have a positive role ( EGS- Climate change, fisheries subsidies).*

- WTO's objective to reduce trade barriers and eliminate discriminatory treatment → It's not possible to apply measures to protect the environment.

*Some answers are: The GATT / WTO provide a sufficient margin to member countries to adopt national environmental policies, provided they are not applied in a discriminatory manner or to constitute a disguised barrier to trade*



## 2. TRADE AND ENVIRONMENT

### » IN REALITY:

- GATT has recognized exceptions due to environmental reasons (6 environmental dispute cases).
- Uruguay Round - WTO Agreements recognize the necessity of the protection and preservation of the environment + general exceptions linked with the environment.
- Creation of the Trade and Environment Committee in the WTO with the aim of:
  - a) *identifying the relationship between trade measures and environmental measures in order to promote sustainable development.*
  - b) *making appropriate recommendations on whether any modifications of the provisions of the multilateral trading system are required, compatible with the open, equitable and non-discriminatory nature of the system.*



## 2. TRADE AND ENVIRONMENT

» DOHA ROUND (launched on 2001)

<p><b>Committee on Trade and Environment SPECIAL Session (CTESS)</b></p>	<ul style="list-style-type: none"><li>• Under Paragraph 31, the CTE Special Session (CTESS) has been established to deal with the negotiations on the following: relationship between WTO rules and MEAs specific trade obligations; information exchange; and environmental goods and services.</li></ul>
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• **Paragraph 28, Fishery Subsidies (under the Rules negotiations):** this is an area where eliminating fishery subsidies can help protect fish stock.

• **Not moving as expected...**



### 3. SPECIAL AND DIFFERENTIATED TREATMENT AT WTO

WTO Agreements contain provisions for developing countries:

- » Longer periods of time for implementation.
- » Measures to increase trading opportunities for these countries.
- » Capacity Building (handling disputes, implementation of technical standards, etc).
- » Provisions related to Least Developed Countries (LDCs).



### 3. SPECIAL AND DIFFERENTIATED TREATMENT AT WTO

#### In Reality

- » Dispute Settlement Mechanism for all.
- » “Longer periods” are not always enough .
- » The world has been changing: economies and trade flows of developing countries are more relevant.





## 4. FINAL REFLECTIONS

- » Developed / Developing Countries issues at the WTO are different from those at the UN (however, they are linked).
- » The WTO has no answer to environmental problems, but believes that trade and environmental policies can complement each other, especially if there is a good coordination within countries between those in charge of trade and environmental policies. The challenge, therefore, is to determine how trade liberalization and environmental protection are mutually reinforcing and how to set aside false dilemmas.
- » At the WTO, Developing Countries need flexibility and capacity building to implement their obligations (existing or new). The new challenge is the level of contribution that the emerging economies will make to the global trade system.