

WORLD TRADE ORGANIZATION

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Committee on Technical Barriers to Trade

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COMMUNICATION FROM CANADA

The following Communication, dated 30 June 1995, has been received from the delegation of Canada with the request that it be circulated to Members of the Committee.

Ecolabelling

Further to the Canadian Delegation's interventions in the Committee on Trade and Environment on 6 April and 21 June as well as in the TBT Committee on 21 April, Canada proposes that the TBT Committee address a range of issues relating to the use of ecolabelling with a view to clarifying the application of the TBT Agreement to this type of programme.

The objective of a discussion on ecolabelling would not be to examine the merits or legitimacy of ecolabelling *per se* or to question the validity or appropriateness of domestic standards set by national authorities for the purpose of environmental protection within their own jurisdiction. Ecolabelling is increasingly seen as an important tool for encouraging resource and manufacturing industries to adopt higher standards of environmental protection by influencing consumer and possibly public purchasing patterns.

As ecolabelling gains in importance in terms of the number of countries that use it, the range of products covered and its influence on purchasing decisions, however, its impact on trade will also increase. This is because such programmes are intended to confer a competitive advantage on products that successfully obtain the label. The basis upon which programmes are applied to imported as opposed to domestic goods is therefore critical from a trade perspective, as are appropriate disciplines to minimize trade disruption. It is important and timely to consider those disciplines, beginning with a clarification of the application of the TBT Agreement.

At the 21 June meeting of the Committee on Trade and Environment, the Secretariat was asked to prepare a background paper providing information about the TBT Agreement and relevant aspects of its negotiating history. As a first step, the TBT Committee could endorse the request for this document and schedule consideration of it at the Committee's next meeting.

Against this background, the Canadian Delegation anticipates that a number of key issues will then warrant analysis and discussion. The following items are suggested as a preliminary and by no means exhaustive identification of such key issues.

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Transparency

The issue of transparency is central and has already been discussed in general terms in the Committee on Trade and Environment. It would now be useful for the TBT Committee to pursue a more focused and detailed consideration of the transparency provisions of the TBT Agreement and their application to ecolabelling programmes.

Government participation

The focus in the existing trade rules and in the discussions to date on ecolabelling has been based on the distinction between mandatory and voluntary programmes. Yet most ecolabelling programmes include significant government involvement and, thus, may have potentially greater impact in the marketplace. For this and a number of other reasons, programmes like ecolabelling differ from the types of voluntary standards (i.e., product standards) that were previously the focus of attention in the GATT. The TBT Committee needs to consider the implications of and challenges posed by this new generation of measures.

Life cycle analysis

Most ecolabelling programmes are or will be based on the use of life cycle analysis, i.e., assessing the environmental impact of a product from extraction/production through consumption and final disposal. With respect to the standards or criteria that could be included for each of the stages of life cycle analysis, and in the context of the TBT Agreement, the Committee should address the treatment of both domestic and imported goods in these programmes.

Relevant work in other fora

The TBT Agreement encourages Members to participate in and adhere to international standards. In a number of other fora, including the ISO, UNEP and UNCTAD, work is underway to advance international cooperation in the development and implementation of environmental programmes like ecolabelling. The TBT Committee should consider this work and its relevance to appropriate trade disciplines.