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UNCED FOLLOW-UP: RESULTS OF THE FIRST SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT AND OTHER RELATED ACTIVITIES

Note by the Secretariat

1. This note has been prepared to provide background information on the outcome of the first session of the Commission on Sustainable Development, the body established by the UN General Assembly in paragraph 12 of its Resolution 47/191, to follow-up the results of the United Nations Conference on Environment and Development (UNCED). It also contains a brief summary of the UNCED follow-up activities of other relevant intergovernmental organizations in the area of trade in Annex II.
2. The Commission held its first session from 14 to 25 June 1993. This session was primarily devoted to establishing the structure and process through which the Commission will seek to monitor, guide and facilitate the implementation of policies, both at the national and international levels, aimed at operationalizing the policy prescriptions contained in the results of the UNCED.

The role of the Commission

3. The general role of the Commission was highlighted in a Decision adopted by the Commission on its future work (E/CN.17/1993/L.2/Rev.1). By encouraging the participation of ministers in its high-level meetings (which should last up to three days and be an integral part of each session of the Commission and of its decision-making process), the Decision underlined the role the Commission is seeking in providing political impetus to the implementation of UNCED decisions. Furthermore, the high-level meetings should provide for an integrated overview of implementation, consideration of urgent and major emerging policy issues brought to its attention (see paragraph 9), and focus the outcome of discussions held in the Commission. The Commission is to report to the Economic and Social Council (ECOSOC) and, through it, to the General Assembly.
4. At the high-level meeting of this session, Ministers confirmed this view by calling for the Commission to have a dynamic role as a central political forum for monitoring and review, in an integrated and coordinated way, of the implementation of Agenda 21 and other outcomes of UNCED. In this connection, they stressed the need to provide further political impetus and profile to the activities of the Commission.¹

¹The Chairman's summary at the conclusion of the high-level meeting of the first session of the Commission on Sustainable Development, 26 June 1993.

Structure of future work

5. The Commission adopted two Decisions (E/CN.17/1993/L.3/Rev.1 and E/CN.17/1993/L.6) outlining the processes that national governments and international organizations of the United Nations system should follow with regard to UNCED follow-up and coordination with the Commission. The Decisions contained guidelines for the preparation of national reports and those from international organizations that are to be submitted to the Commission and feed into its work (see paragraphs 12-19). These reports should be based on the framework integrating all the elements of the UNCED results which was adopted by the Commission. This framework has been termed the Multi-Year Thematic Programme of Work.
6. The Commission adopted the multi-year thematic programme of work to provide a framework to assess progress achieved in the implementation of Agenda 21, and to ensure an integrated approach to all of its environment and development components as well as linkages between sectoral and cross-sectoral issues. It is framed around annual sessions of the Commission during the period 1994 through 1997, the last of which would constitute an overall review and appraisal of Agenda 21 in preparation for a special session of the General Assembly. The programme groups the chapters of Agenda 21 into sectoral and cross-sectoral "clusters"; each annual session of the Commission would focus on a different sectoral cluster, while all cross-sectoral clusters would be discussed, with a focus on different chapters, at each and every session.
7. Cross-sectoral cluster A, termed "Critical elements of sustainability" is comprised of chapters 2 (international cooperation to accelerate sustainable development in developing countries and related domestic policies), 3 (combating poverty), 4 (changing consumption patterns), and 5 (demographic dynamics and sustainability). This cluster, along with the other cross-sectoral clusters² will be discussed at each and every session of the Commission; the particular focus of this cluster at the 1994 session will be chapters 2 and 4. This cluster will not be focused on at the 1995 session, but will be again at the 1996 and 1997 sessions.
8. In carrying out this Programme, the Commission will take into account the results of major intergovernmental events and negotiating processes, with a view to integrating these results and any recommended follow-up activities in the process of review of the implementation of Agenda 21. A background note prepared by the Secretariat stated, in this regard, that "the Commission might, *inter alia*, also wish to take account of ... the Council meeting of the General Agreement on Tariffs and Trade on the follow-up to UNCED, to be held in Geneva in November 1993."³ It seems clear that the Commission expects substantial input from the GATT on its work on trade and environment and, in particular, on UNCED follow-up, for the 1994 session.

²The other cross-sectoral clusters include: cluster B (financial resources and mechanisms, chapter 33); cluster C (education, science, transfer of environmentally sound technologies, cooperation and capacity-building, chapters 16, 34, 35, 36, and 37); cluster D (decision-making structures, chapters 8, 38, 39, and 40); and cluster E (roles of major groups, chapters 23, 24, 25, 26, 27, 28, 29, 30, 31, and 32). The sectoral clusters include: cluster F (health, human settlements and freshwater, chapters 6, 7, 18, and 21); cluster G (land, desertification, forests, and biodiversity, chapters 10, 11, 12, 13, 14, and 15); cluster H (atmosphere, oceans and all kinds of seas, chapters 9 and 17); and cluster I (toxic chemicals and hazardous wastes, chapters 19, 21, and 22).

³"Adoption of a Multi-Year Thematic Programme of Work for the Commission", Report of the Secretary-General, Document No. E/CN.17/1993/5, 1 June 1993.

9. Another background Secretariat document, which attempted to focus the ministerial segment of the meeting on "urgent and major emerging issues", emphasized that the transition to sustainability would depend most crucially on cross-sectoral cluster A which covers an international economy favourable to environmental protection and development, effective steps against poverty, changes in consumption patterns and measures to ensure compatibility between demographic dynamics and sustainability. The document suggested that "the high-level meeting may wish to discuss the extent to which sustainability considerations are being taken into account in ongoing discussions on (a) trade policies in the General Agreement on Tariffs and Trade and elsewhere; ..."

10. It also proposed that the high-level meeting consider more specific initiatives regarding the link between trade and environment policies. It stated that "the high-level meeting may wish to consider whether specific processes for intergovernmental discussions are required for developing further the Principles enumerated on this subject in Agenda 21". Furthermore, it stated that "the transition to sustainability in many developing countries that are dependent on a few key commodity exports will rely on effective progress in the area of international commodity trade and trade diversification. The high-level meeting may wish to consider the specific initiatives that may be required for international commodity agreements, compensatory financing mechanisms, technical assistance and market access measures to promote diversification".

11. The Ministerial statements that addressed trade at the high-level meeting did not, in fact, go into any detail. The majority called for a successful conclusion to the Uruguay Round negotiations in order to further liberalize markets and facilitate greater market access. Most reiterated the thrust of Principle 12 of the Rio Declaration and some developing countries emphasized that higher standards should not be used as a means of discrimination or disguised barriers to trade. In the Chairman's concluding remarks to the high-level meeting he stated that "Ministers recognized the importance of making trade and environment mutually supportive, as well as of effectively addressing the debt issue."

Activities of the Commission

12. In large part, the activities of the Commission will depend on the reports it receives from national governments, international organizations of the United Nations system, and non-governmental organizations and major groups (such as women, youth, indigenous peoples, etc.). For this reason, much consideration went into drafting the guidelines on which these reports would be based. The Secretariat will prepare analytical reports for each of the three categories above, based on their submissions.

Submissions from national governments

13. All submissions should be relevant to the Agenda 21 clusters to be discussed that year in accordance with the multi-year thematic programme of work. The Commission encourages individual national governments to provide, on a voluntary basis and to the degree of detail and regularity that they decide, information taking into account, inter alia, the following guidelines:

- (a) policies and measures adopted at the national level to meet the objectives of Agenda 21, including information on national sustainable development strategies or plans and on the major activities and projects undertaken; ...
- (d) measures taken, including indicators, and progress achieved to reach sustainable production and consumption patterns and lifestyles, to combat poverty and to limit the demographic impact on the life-supporting capacity of the planet; ...

- (e) the impact of the environmental measures undertaken on the national economy, which would also reflect information on the social impact of such measures; ...
- (g) specific problems and constraints encountered, including those related to finance and technology, as well as to the adverse impact of economic and trade policies and measures, in particular on developing countries; ...
- (h) the adverse impact on sustainable development of trade restrictive and distortive policies and measures - specifically, trade policy measures for environmental purposes that constitute a means of arbitrary or unjustified discrimination or a disguised restriction on international trade - as well as of sustainable development, in accordance with Principle 12 of the Rio Declaration on Environmental and Development; ...

14. The Secretariat should also follow the above guidelines in preparing the two analytical reports which are to be based on national contributions. The first is an annual overview report on progress made in the implementation of Agenda 21, which should focus on the cross-sectoral components of Agenda 21 and the critical elements of sustainability and contain an analysis of progress made, the main trends, and the main problems countries face in the implementation of Agenda 21. The second are thematic reports, corresponding to the Agenda 21 sectoral clusters to be discussed at the forthcoming sessions of the Commission, in accordance with the multi-year thematic programme of work. These reports should address the interrelationships between sectoral and cross-sectoral issues, reflecting the integrated nature of environment and development, including its social dimensions.

Submissions from international organizations

15. The Administrative Committee on Coordination (ACC), within the United Nations, established the Inter-Agency Committee on Sustainable Development (IACSD) to enhance inter-agency coordination in the UN system by ensuring cost-effective, result-oriented follow-up action and the avoidance of duplication in the implementation of Agenda 21. To further enhance inter-agency coordination in the UN system, the Commission requested the ECOSOC to invite relevant organizations of the UN system, including international financial institutions and the Global Environment Facility, to prepare specific reports on their activities to follow up the UNCED, focusing on ongoing and future projects and initiatives related to the multi-year thematic programme of work. The Secretariat would then prepare annually a consolidated analytical report which would synthesize the information, outline gaps and assess progress achieved and clarify organizational responsibilities, taking fully into account the report of the IACSD.

16. The submissions from international organizations should:

- (a) assess the progress achieved in the implementation of the relevant chapters of Agenda 21;
- (b) identify gaps and opportunities for cooperation, including cooperation with non-governmental organizations and major groups;
- (c) compare and assess the relevance, strength and usefulness of various programmes and activities undertaken by different international organizations;
- (d) clarify organizational responsibilities within the UN system and assess whether allocation of tasks adequately reflects the expertise and comparative advantage of different organs, programmes and organizations;

- (e) assess the progress made in reducing unnecessary duplication of efforts and inefficient use of resources.

17. The Commission also decided that the format of the discussion on the progress made in the incorporation of the recommendations of the UNCED into the activities of international organizations, and measures undertaken by the ACC to implement Agenda 21 and to incorporate the outcomes of the UNCED, in particular the Principles contained in the Rio Declaration, into the programmes and processes with the UN system, should be improved and be focused on clusters of its multi-year thematic programme of work and ensure a constructive dialogue between the Commission and representatives of international organizations. In this regard, the Commission invited relevant organizations of the UN system to participate, at the highest possible level, in the sessions of the Commission, in order to promote in-depth discussions on issues falling within their respective responsibilities.

18. This session of the Commission devoted one day to oral presentations by representatives of the various international organizations of the UN system on their UNCED follow-up activities. The representative of the GATT delivered the statement reproduced in Annex I to this document as well as supplied copies of the Chairman's interim report on the progress in the Group on Environmental Measures and International Trade, delivered to the CONTRACTING PARTIES' Session in December 1992. Brief summaries of activities of other relevant organizations are included in Annex II.

19. Finally, the Commission invited, through the ECOSOC, international, regional, and subregional intergovernmental organizations outside the UN system to prepare and submit to the Secretariat reports on their activities related to sustainable development, focusing on ongoing and future projects and initiatives related to the multi-year thematic programme of work. The Secretariat will also prepare annually a report containing an analytical summary of these activities. The Commission will consider this report, together with that of the organizations of the UN system, with a view to "elaborating policy recommendations aimed at ensuring effective collaboration and greater complementarity of activities of intergovernmental organizations, both within and outside the UN system".⁴

Other issues: finance and transfer of technology

20. An ad hoc, open-ended working group composed of government experts was established in the area of finance; during the period until the next session, the Commission would prepare for discussion on the establishment of such a working group for the promotion and support of transfer of technology⁵. The finance working group will monitor and review requirements, availability and adequacy of financial resources for the implementation of the various clusters; monitor and

⁴"Issues Relating to the Future Work of the Commission", Draft Decision, United Nations document E/CN.17/1993/L.2/Rev.1, 22 June 1993.

⁵In the Decision on Transfer of Environmentally Sound Technologies, the Commission "stressed the need, *inter alia*, (i) to promote, facilitate and finance, as appropriate, the access to and the transfer of environmentally sound technologies and corresponding know-how, in particular to developing countries ..., on favourable terms, including on concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights; ..." The patenting of genetic resources and other indigenous species, particularly in the field of biotechnology, was a subject of much concern among several southern non-governmental organizations during the session, and several spoke out against the Uruguay Round Agreement on TRIPS for not excluding such plant and animal species.

analyze various aspects that influence the flow of financial and economic resources, such as debt relief, commodity prices, market access and private foreign investment; and develop, on the basis of the above, a policy framework for the mobilization of financial resources for the implementation of Agenda 21.

21. It is significant that the importance of trade to increasing financial flows was underlined in the Decision on Finance adopted by the Commission. It stated that "the Commission stressed the importance of promoting sustainable development through trade liberalization and recognized that an open, equitable, secure, non-discriminatory and predictable multilateral trading system is critical for achieving sustainable development. In this respect the Commission urged an early, balanced, comprehensive and successful outcome of the Uruguay Round of multilateral trade negotiations that would halt and reverse protectionism, improve access to markets, in particular for exports of developing countries, and bring about further liberalization and expansion of world trade. The Commission also recognized the importance of making trade and environment policies mutually supportive and in favour of sustainable development, while emphasizing that trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade."

Annex I

AGENDA-21 FOLLOW-UP ACTIVITIES IN GATT

Note Prepared by the GATT Secretariat for the Information
of the Commission on Sustainable Development at
its Meeting on 14-25 June 1993

1. The GATT Council of Representatives was informed at its meeting in July 1992 of the results of the United Nations Conference on Environment and Development (UNCED) as they relate to trade and the multilateral trading system; these were reported on to the Council by the GATT Secretariat. The Chairman of the Council of Representatives, following extensive consultations with Council members, made proposals in a statement to the annual Session of the GATT CONTRACTING PARTIES in December 1992 on how to proceed in GATT by way of a follow-up to the recommendations of the UNCED in the area of trade. His proposals were agreed to by the CONTRACTING PARTIES.
2. In his statement, the Chairman of the Council of Representatives said that it was clear that GATT Contracting Parties welcomed warmly the Rio Declaration and the progress that has been made by the UNCED in fostering further multilateral cooperation, and were determined that GATT should play its full part in ensuring that policies in the fields of trade, the environment and sustainable development are compatible and mutually reinforcing.
3. GATT's competence is limited to trade policies and those trade-related aspects of environment policies which may result in significant trade effects for GATT Contracting Parties. In respect neither of its vocation nor of its competence is the GATT equipped to become involved in the tasks of reviewing national environmental priorities, setting environmental standards or developing global policies on the environment.
4. Nevertheless, the multilateral trading system does have a central role to play in supporting an open international economic system and fostering economic growth and sustainable development, especially in the developing countries, to help address the problems of environmental degradation and the over-exploitation of natural resources.
5. The importance attached by the UNCED to a successful outcome of the Uruguay Round negotiations was particularly welcomed. That remains the top priority for GATT Contracting Parties. It holds the key to the liberalization of trade and the maintenance of an open, non-discriminatory multilateral trading system, which are main elements of the framework for international cooperation that are being sought to protect the environment and to accelerate sustainable development in developing countries.
6. Also, the special concerns that have been raised by the UNCED about the need to improve market access for developing countries' exports, particularly by reducing tariff and non-tariff impediments, including tariff escalation, and to improve the functioning of commodity markets are well recognised.
7. The GATT Committee on Trade and Development has been invited by the CONTRACTING PARTIES to take on board within the scope of its terms of reference, including

the decision of the CONTRACTING PARTIES at their Thirty-Fifth Session (1979) to strengthen the Committee's role, those matters raised by the UNCED in the context of promoting sustainable development through trade liberalization (Agenda 21, Chapter 2: Introduction and Section A).

8. The GATT Group on Environmental Measures and International Trade is closely involved, within the scope of its terms of reference, in work in GATT on the UNCED follow-up with respect to making trade and environment policies mutually supportive (Agenda 21, Chapter 2: Introduction and Section B). Keeping in view that Chapter 2 of Agenda 21 relates to accelerating sustainable development, and giving close attention to the objectives set out for governments in Chapter 2.21, particularly sub-paragraph 2.21(b), the Group should examine and take into account the propositions and principles enumerated in Chapter 2.22 of Agenda 21, bearing in mind that the Council of Representatives, in discharging the responsibilities of the CONTRACTING PARTIES between Sessions, is the responsible GATT body for matters relating to inter-institutional and other external relations (Chapter 2.22 (a), (b), (h), and (k) of Agenda 21).

9. The Council of Representative's decision (C/M/251) to extend the mandate of the Working Group on Export of Domestically Prohibited Goods and Other Hazardous Substances for a period of three months, beginning from the date of the Group's next meeting, and to authorise the Chairman of the Council of Representatives to consult on the timing of that meeting has also been recalled in the context of the UNCED follow-up.

10. The Committee on Trade and Development and the Group on Environmental Measures and International Trade have been meeting during the course of 1993 on the matters related to UNCED follow-up that were referred to them by the GATT CONTRACTING PARTIES.

11. In November 1993, the Council of Representatives will hold a meeting devoted to this issue to review, and as necessary supplement, the work that is underway in GATT relating to the UNCED follow-up. The Committee on Trade and Development and the Group on Environmental Measures and International Trade will contribute to that review by reporting to the meeting on the progress they are making with the matters referred to them above.

Annex II

UNCED Follow-up Activities of Other Relevant Organizations Related to Trade

I. United Nations Conference on Trade and Development (UNCTAD)

1. In March 1993 UNCTAD's Trade and Development Board adopted a report on its specific plans for the implementation of Agenda 21, which was submitted to the General Assembly through the Commission on Sustainable Development and the ECOSOC. The Board decided in March that, "taking into account the importance of the theme "trade and environment", it will consider a topic under this theme at the first part of each of its annual sessions; and it will consider another theme or themes on sustainable development at the second part of its annual sessions".

2. The work programmes referred to above are organized around six sectors specific to UNCTAD: Agenda 21 and trade; Agenda 21 and commodities; Agenda 21 and technology; Agenda 21 and services; Agenda 21 and poverty; and Agenda 21 and privatization. Because of the importance which Member States attach to the subject of trade in the context of sustainable development, the Board itself deals with this subject; the others are covered by the Board's subsidiary bodies which are organized along sectoral lines. The first two areas are of most interest to GATT's UNCED follow-up work.

3. On Agenda 21 and trade, the Board will give consideration to the following areas as elements of its substantive intergovernmental work programme on trade-related aspects of sustainable development:

- trends in the field of trade and environment within the framework of international cooperation (Agenda 21 para.2.22(b));
- the reconciliation of environmental and trade policies, including the necessity to ensure that environmental measures do not become an instrument of protection (paras. 2.21 and 2.22 (c, d, e, f, i));
- analysis of the impact of environment-related regulations and standards on export competitiveness, particularly of developing countries (para. 2.22 (f, g));
- building of increased awareness and understanding of the interlinkages between trade developing and environment (para. 2.22 (b));
- consideration of the special conditions and development needs of developing countries in the context of trade and environment (para. 2.22 (g, h, i));
- collection, analysis and dissemination of information on environmental regulations and measures which may have an impact on trade, especially that of developing countries (paras. 2.15, 2.22(c)); and
- comparative analysis of country experiences with ways and means of promoting trade expansion and diversification without deteriorating or depleting the natural resource base (with specific focus on export competitiveness) (paras. 2.11, 2.14, 2.24, 3.5, 4.14, 4.18).

4. The policy-oriented research component of the second area consists of country and commodity case studies, covering a variety of country situations and experiences, as well as general thematic studies. Analytical work is being supported by a Steering Group to ensure that the different components of the programme are coherent and allow for a comparison of national experiences. The studies cover a number of topics including:

- the impact on the exports of the country of environmental concerns and measures in overseas markets;
- the role of investment and technology policies in complying with environmental standards in the major markets and in anticipating changes in consumer preferences and environmental regulations in these markets;
- other environmental issues having implications for international trade and competitiveness, such as the possible impact of international environmental agreements on the exports of the country;
- possibilities to enhance market opportunities for environmentally friendly products and products produced with environmentally sound technologies;
- trade liberalization and the environment;
- case studies on the cost and competitiveness effects of environmental standards and regulations in the developing countries; and
- technology questions.

5. The work is now under way in five countries: China, Colombia, India, the Philippines, and Turkey. The next group of country studies are likely to be Brazil, Costa Rica, Egypt, Jamaica, Malaysia, Nigeria, Poland, Senegal, Uganda and Zimbabwe. Experience shows a high level of government commitment. Meetings have been conducted involving several ministries as well as the private sector, to discuss and support project implementation at the national level.

6. The thematic studies cover, among other things, the main trends and prospects in the OECD countries in both trade and environment matters and in their interlinkages; the interface between trade, environment and technology issues; the impact of international environmental agreements on the trade and development prospects of the developing countries; and the development of an empirical model on environment, development and trade links (applied to India).

7. In addition, the Board's Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries decided that one of the elements of its work programme should be to "consider the impact of environmental policies and measures on trading opportunities of developing countries with a view to making recommendations for enhancing those opportunities" (paras. 2.10 (a, c, d), 2.12 and 2.22 (a) of Agenda 21). This issue will be covered in the report that the Secretariat will submit to the Working Group for its meeting from 4-8 October 1993.

8. On Agenda 21 and commodities, the Board's Standing Committee on Commodities has agreed on a work programme which singled out sustainable development as one of its four priority areas. It contains the following elements:

- analysis of national experiences in the management of natural resources with regard to commodity production (para. 3.8(m));
- exploration of the links between commodity policies, use and management of natural resources and sustainable development (paras. 2.11, 2.13, 2.16(a), 4.10(b));
- identification of environmental problems that are specific to commodity production and processing and examination of ways of improving developing countries' access to international financial and technical support including environmentally sound technologies to cope with such problems (paras. 4.17(c), 4.18);
- identification of means by which the competitiveness of natural products with environmental advantages could be improved (paras. 4.19(c), 4.22(a, b));
- examination of the manner in which prices of natural commodities and their synthetic competitors could reflect environmental costs (paras. 2.14(c), 4.24, 8.31(a, b), 8.37)).

9. Finally, UNCTAD is pursuing studies and projects related to sustainable development in cooperation with other organizations and countries which are providing extrabudgetary resources.

- UNDP is providing funds for the policy oriented research described in paragraphs 4-6 on the interlinkages between trade and environment, consisting of country case studies, and thematic studies of general interest. Work on trade and environment is also supported under an Asian/Pacific Trade and Investment Technical Cooperation Programme;
- Colombia is funding two studies on the relationships between trade and environment undertaken by a national research institute and a non-governmental organization;
- Germany is funding studies on particular aspects of tradeable carbon emission entitlements;
- Italy is funding a training package on developmental aspects of global environmental deliberations within UNCTAD's Trainfortrade programme;
- Luxembourg is funding a training package on trade and environment within UNCTAD's Trainfortrade programme;
- The Netherlands is contributing funds to two components of the work programme: analysis of trade and environment linkages; and country/commodity case studies. It is also contributing to the development of a pilot version of GREENTRADE in 1992; a study of the implications of basic principles of environmental policy for developing countries is nearly complete; it provided funding for the first phase of the work on tradeable carbon emission entitlements, and for a pilot initiative on carbon offset arrangements;
- Norway is funding policy-oriented analysis of the links between policies and environmental effects of production and processing in the commodity sector and a conceptual study on the internalization of environmental externalities in prices of commodities. It provided funding for the first phase of the work on tradeable carbon emission entitlements, and for a study on the essential design requirements of a global system of tradeable carbon emission entitlements and a pilot initiative on carbon offset arrangements;
- The International Institute for Sustainable Development in Winnipeg, Canada, is sponsoring expert group meetings to discuss outlines and findings of studies carried out on environment and trade policies;
- The International Development Research Centre is funding policy-oriented research on the impacts of environmental concerns on market access, with special reference to analysing the potential impact of eco-labelling schemes on the exports of developing countries. This principal purpose is to help ensure that eco-labelling does not become an obstacle to developing-country exports;
- a technical cooperation project for Latin America and the Caribbean has been proposed. It would be carried out in close cooperation with the IDB, ECLAC, OAS, SEAL and other institutions.

10. On data collection, analysis, and dissemination, UNCTAD is adjusting its Trade Control Measures Database to incorporate environmental measures which may have an impact on trade. To facilitate this work, a questionnaire on national environmental regulations which may have an impact on trade was sent to all Member States. By June 1993, sixteen countries had provided information on environmental regulations and measures that may have an impact on trade. Once processed, the information can be made available through national focal points. Also, GREENTRADE is a computerized information system that allows encoding and retrieval of information on environmental product concerns and measures, using a PC. A pilot version of the system, as well as a user's manual, have been prepared. Further work will concentrate on the collection and encoding of information.

II. United Nations Environment Programme (UNEP)

11. In May 1993, the UNEP Governing Council held its seventeenth session. It discussed in detail the transition UNEP would have to undergo to incorporate all the UNCED recommendations into its programme of work. It underlined that high priority should be given to activities which give direct or indirect substantial support to developing countries. Greater emphasis would be given to environmental management of freshwater resources, environmental management of oceans and all kinds of seas and coastal area management, environmental health, human settlements and human welfare, toxic chemicals and waste management, and capacity-building. It also gave support to the Earthwatch programme of environmental sensing, international environmental law, environmental economics, industry, energy and the environment and cooperation in environmental action.

12. Specifically related to trade, the Governing Council, in anticipating the need for greater work in the field of environment and economics, including social aspects, approved the strengthening of UNEP's programme and work in this area. It emphasised work on environmental economics, natural resource accounting, environmental impact assessment, including the social impacts, and the valuation of environmental and natural resources. The focus is on promoting the synthesis of social-economic analytical tools and instruments, testing and employing such tools, integrating environmental and natural resource accounting methodologies, developing policy instruments for environmental management and applying economic tools, especially for use in developing countries.

13. This work will be conducted in close association with other UN organizations and development assistance institutions such as the World Bank, UN Development Programme (UNDP), UN Conference on Trade and Development (UNCTAD), the UN regional economic commissions, the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF), and the Organisation for Economic Cooperation and Development (OECD).

14. Further, UNEP will continue to work with governments and UN organizations to develop international legal instruments, in particular guidelines and conventions, to help meet their information requirements, to promote their implementation and contribute to the process of monitoring compliance. One principle area of attention will be in the development of a convention on desertification. UNEP will also consider measures for formulating a possible international legal instrument on the prior informed consent (PIC) procedure, contained in the amended London Guidelines for the Exchange of Information on Chemicals in International Trade and the FAO International Code of Conduct on the Distribution and Use of Pesticides. It is also encouraging more active implementation of other international environmental agreements for which it bears responsibility, for example, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Basel Convention, the Convention on Biological Diversity, and CITES. It will also assist with the UN Convention on Climate Change.

III. Organisation for Economic Cooperation and Development (OECD)

15. The OECD's Committee structure has a unique ability to bring together experts from the twenty-four Member countries for analysis and discussion of the topics relevant for applying the Rio Principles and for implementing Agenda 21. It is supporting the efforts of its Members to pursue sustainable development by providing models, guidance and assistance, including monitoring of Member country performance in relation to policy goals, laws and commitments. The OECD's multi-disciplinary work on a number of cross-cutting issues, such as economics, trade, aid, poverty alleviation, energy and agriculture, is central to the process of sustainable development. This work is intended to provide a basis for international cooperative efforts.

16. Current and planned work in support of sustainable development includes, *inter alia*, such areas as trade/environment and development; integration of environment and development objectives, including the role of development assistance; technology cooperation and environment; cost-effective strategies and economic instruments for environmental management; finance and debt issues; and changes in consumption patterns.

17. Work has been continuing for the past two years in the Joint Session of Trade and Environment Experts on defining the structure and nature of policy guidelines on trade and environment. The first phase of work has been completed, namely the identification, description, analysis, and understanding of various factors in the interface between trade and environmental policies. Further in-depth analysis will continue during the next phase of its work in which a number of important trade and environment issues will be analyzed and discussed. The objectives are to aid governments in understanding and addressing trade and environment issues; to provide material for the possible further development of OECD guidelines on trade and environment; and to provide a focused examination of issues which may provide input to negotiations in other fora.

18. General areas of further analysis include:

- methodologies for conducting examinations, review and follow-up of trade and environmental policies and agreements;
- effects of trade liberalisation on the environment;
- processes and production methods (PPMs);
- use of trade measures for environmental purposes;
- the concept of life-cycle management and trade;
- harmonization of environmental standards;
- trade and environmental principles and concepts;
- economic instruments, environmental subsidies and trade;
- environmental policies, investment and trade; and
- dispute settlement.