



Ecotlabelling

The compatibility of ecotlabelling schemes with current WTO law is unclear, and labelling for environmental purposes has been the subject of discussions since Doha. Any framework on ecotlabelling must include not only the WTO, but other international bodies with environmental competence. Negotiations on ecotlabelling should not be launched, and the WTO should be instructed to contribute to a process of dialogue with other international bodies on the issues concerning ecotlabelling.

An important part of the work of WWF for the last ten years has focused on the promotion of ethical labelling – through the Forest Stewardship Council, for example. However, the exact legal status under the WTO of these non-governmental schemes, as well as the status of more formal government ecotlabelling requirements, is not clear. The extent to which WTO rules cover ecotlabelling schemes is contested. There are also potential conflicts between ecotlabelling schemes and substantive WTO rules.

The Doha declaration launched discussions on labelling for environmental purposes, and instructed the Committee on Trade and the Environment to report on progress at Cancún and to recommend whether or not negotiations on ecotlabelling should be launched. Pressures for reform are conflicting. Some WTO members are pursuing rules that will facilitate the use of both voluntary and mandatory ecotlabelling. Others, including the US and many developing countries, are concerned about the protectionist use of ecotlabelling.

While there is a need for clarification of international trade law so that it supports the non-protectionist use of ecotlabelling, there are concerns over the current WTO discussions. Any attempt to limit the scope for ecotlabelling would represent a significant backwards step, in particular if the WTO is given any additional role in voluntary ecotlabelling schemes – for example, if there was a requirement that the WTO be ‘notified’ of any new or existing schemes. The WTO by itself has neither the competence nor the expertise to play a significant role in the regulation of voluntary ecotlabelling schemes.

Any process to develop an effective international framework on ecotlabelling, whilst including the WTO, must be led by other international bodies with environmental competence. Unlike the current discussions being conducted solely within the WTO, these international bodies must lead the negotiation of any framework addressing the relationship between ecotlabelling and trade rules.

What Should Happen at Cancún?

1. No negotiations on ecotlabelling should be launched.
2. Noting the work that has been undertaken by the Committee on Trade and the Environment since Doha, Ministers in Cancún should affirm that WTO rules respect the non-protectionist use of ecotlabelling schemes, and their importance in promoting sustainable development.
3. The CTE should be instructed to prepare recommendations on how the WTO and its members could contribute to the discussion of these issues through alternative forums. The need for preferential treatment for developing countries must be incorporated in these discussions and any subsequent agreement.