



## Green Protectionism

**The use of protectionist measures where these undermine sustainable development is reprehensible, but justifying such measures on spurious environmental grounds is worse. It serves to fuel suspicion about measures that are adopted appropriately in response to genuine environmental or developmental concerns. The WTO alone cannot decide the legitimacy of such measures, and should rely on the expertise of other international institutions.**

Fears of green protectionism – the use of measures for narrow protectionist ends under the guise of addressing legitimate environmental goals – lie at the heart of much of the opposition to the proper accommodation of environmental concerns in the WTO. Whilst interventionist measures should be dismantled where these are found to frustrate progress on sustainable development, they should be retained where they contribute to such progress. It can, however, be very difficult to distinguish genuine environmental interventions from illegitimate green protectionism: the impacts of any measure tend to be complicated, perhaps affecting natural resource use and economic welfare in many countries. The current rules and institutional arrangements of the WTO do not have the capacity to adequately adjudicate on this key distinction between legitimate interventions and green protectionism.

The first step to addressing the problem is to make sustainable development the transparent goal of international decision-making, including decision making within the WTO. Assessment of interventionist measures on these grounds would entail the need to take full account of their international impacts – in terms both of the developmental and environmental impacts of a measure on other countries, and in terms of the impact on the global environment. Such an assessment must grapple with both trade and environment issues.

How should judgements of this level of complexity be made? It is clear that the WTO does not have the capacity or expertise to make them by itself. If the economic instruments in the WTO's toolbox are to be used in pursuit of sustainable development, then the WTO will have to rely on expertise drawn from other international institutions to help with the proper use of these tools. The WTO is simply not equipped to deal with the environmental and developmental elements of the complex decisions outlined above.

### **What should happen at Cancún?**

1. WTO Members should use their plenary statements, their interventions in working groups and their communications materials to assert that sustainable development should be the guiding principle in shaping and applying WTO rules – even where this may seem to conflict with expanding trade in goods and services.
2. WTO Members should instruct the Commission on Trade and Environment to contribute, in partnership with bodies such as UNEP, CSD and the MEA Secretariats, to a formal process of dialogue on future regulatory and decision-making relationships between the WTO and other multilateral agencies.